

JAPANESE AID  
TO PACIFIC ISLAND STATES

by

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## INTRODUCTION

Aid is one of the biggest issues in the interdependent world of today. It is considered as helping to solve the North-South problem the world is presently facing. Apart from humanitarian purposes and alleviation of poverty, the purpose of aid is to promote the overall development of recipient countries in terms of general economy, industry and social welfare through provision of materials, direct financial support, improved infrastructure and technology transfer, and through manpower development. Thus it is expected to help LDC's achieve economic-independence and bridge the gap between North and South while making redemption for the exploitation of the South by the North. In reality, however, aid has a more political tinge. It often functions more for donors' purposes and needs rather than those of recipients.

For Pacific islands states, most of which have poor natural resources, aid plays a significant role in supporting their economies, perhaps more so than in other countries. Aid is the main financial resource of these formerly self-sufficient islands and they receive the highest aid per capita of any region in the world.

Japanese aid began from the postwar reparation in the 1950s. Since then nearly 40 years have passed. Although it may be said that Japan has a long history as an aid donor, most of Japan's aid has been disproportionately extended to Asia. In other words, areas which do not directly serve the national interest of Japan, such as

the Pacific island states, have been neglected. As Japan is heavily dependent on the import of natural resources from Asia, the procurement of the resources and the stability of the Asia region are of vital importance for Japanese economic life.

Japanese aid to Pacific island states began during the last several years concomitant with the establishment of 200-mile exclusive economic zones. It is a rather "new experience" for Japan. Although the "Pacific Basin Cooperation Concept" and such catchy phrases as the "Dawn of the Pacific Age" have been much discussed, the country's aid to the region has been limited, though slowly increasing. While 70% of total Japanese Official Development Assistance (ODA) goes to Asia, less than one percent is extended to the Pacific region. Japanese aid to the region can be summed up in the following three characteristics. The amount of aid is small, the fisheries sector comprises the biggest proportion, and the principles of aid policy to the region were not established until recently.

On one hand, Japanese aid is largely appreciated by island governments. On the other hand, it is often subjected to critical comment in the mass media for its deficiency in amount, unsuitable content, strict conditions and links with Japanese commercial interests such as "quid pro quo" plays for fishing rights.

Under such circumstances, it seems worthwhile to examine overall Japanese official aid to the region, explore the surrounding problems and suggest some options. The paper is composed of four chapters: the first chapter takes up Japanese aid in general. It attempts to

disclose the broad aspects of Japanese ODA worldwide, exploring its history, principles, amount, contents, geographical distribution and implementation mechanisms.

The second chapter examines aid to the region through the analysis of its amounts and forms and then considers the cases of individual recipients. Also studied is the aid by other bilateral donors for comparison and Japanese contributions through multilateral institutions, focusing on the Asian Development Bank. Japanese trade with the region is investigated since trade is another important means of economic cooperation which promotes LDC's overseas exports and industrial development. Then surveyed are the "Pacific Basin Cooperation Concept" and technical cooperation. The former seems to be increasingly defining the framework of Japanese aid policy to the region, and the latter seems to carry increasing weight in the formulation of the policy to the region.

The third chapter features some case studies of Japanese aid. In the summer of 1985, the author conducted field work on Japanese aid in Fiji, Western Samoa and Tonga. Based on interviews made during the field work as well as collected data, the chapter features two topics. The first section takes a look at fisheries development aid, the biggest Japanese aid to the region, and probes attendant problems, and assesses the results. The second section examines two projects from the viewpoint of manpower development and technology transfer. It focuses particularly on the construction of the Fiji

Nursing School, the largest Japanese grant aid project ever made in the region.

The last chapter, the conclusion, reviews and discusses overall Japanese aid principles and policy, assesses Japanese ODA to the region, probes its prospects and makes some recommendations. Emphasis is made in the paper on manpower development and technical cooperation, which the author considers the most important forces in promoting the total development of countries not only in the terms of economy but also in the terms of social and human development.

## I. JAPANESE OFFICIAL DEVELOPMENT AID

### Historical Background

Japanese aid stems from the postwar reparations to Southeast Asia in the 1950s. The San Francisco Peace Treaty concluded in 1951 determined the framework of postwar Japanese international relations, and hence Japanese aid. In the midst of heated argument on whether to conclude an overall peace or a separate peace, the government selected the latter, the peace with the Western block. Article 14 of the treaty stipulates that Japan should make reparations to the Allies for damages resulting from World War II (Samejima. 1982. p8). Such reparations to Southeast Asia provided Japan with a foothold to rehabilitate its own economy. While redeeming Japan's war deeds and establishing economic cooperation with these countries through reparations, Japan promoted its own exports and developed its markets in the region. Thus, Japanese policy on economic cooperation was formed at this stage with its own economic interest in mind and with Southeast Asia as the geographical focus.

In the 1950s the Third World Powers emerged as international actors in their own right. This emergence was demonstrated in the "Bandung Spirit" at the Asia and Africa Conference in 1955. This changed the balance of power alliances from a U.S.-Soviet bipolarization to multipolarization. Under such circumstances, aid

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became a new political strategy for both Western and Eastern countries.

In the early 1960s, various aid agencies and international organizations such as the International Development Association (IDA) and the Organization for Economic Cooperation and Development (OECD) were established. The purpose of such organizations was to deal with the development of the Third world and multilateral aid. In the United States, under President Kennedy's initiative, the Agency for International Development (AID) was formed in 1961. In the same year, the United Nations Development Decade set out by his proposal. The UN decade program set a quantitative target of a 5% annual increase of GNP in developing countries. The United Nations conference on Trade and Development (UNCTAD) was also organized in 1964 and made a decision that advanced nations should provide one percent of their national income to developing countries. Thus, the North-South problem became a global issue (Henriot. 1976. pp7-8. & Samejima. 1982. pp12-13).

On the other hand, Japan, which gained its export market to Southeast Asia through war reparations, was achieving high economic growth. Commenting on the Japanese "strategy" of using reparations to rebuild its economy, S. Samejima in his report, Nihon no Taigai Enjo Seisaku, mentions the example of the first yen loan to India in 1958. This loan convinced India to abandon its reparation claim. The aid was to obtain iron needed by the Japanese steel industry to increase production. The amount of Japanese reparation paid to

Burma, the Philippines, Indonesia and South Vietnam in the 1950s totaled \$1012 million (Samejima. 1982. p11).

In the 1960s, the appropriation of aid promoted Japanese exports and economic growth. Its economic growth rate rose from 11.6% in 1966 to 13.8% in 1968. Japanese grants to Southeast Asia in the 1960s, including Burma and Korea, reached a total of \$463.34 million (ibid. pp11,15). Concomitant with U.S. intervention in the Vietnam War, Japanese aid was extended to Indochina to enhance the stability of the region. The Overseas Economic Cooperation Fund (OECF), the agency dealing with overseas loans, was founded in 1961. Japan also became a member of the Development Assistance Committee (DAC) of OECD at the start of the same year.

The devaluation of the US dollar and the oil crisis in the early 1970s were blows to the Japanese economy. They were called "Nixon Shock" and "Doru Shock." These shocks affected the form of Japanese aid. Although about 90% of Japanese aid had been extended to Southeast Asia in the 1960s, after the oil crises it was geographically spread on a more global level, especially to oil producing countries in the Middle East. Also, a number of large national projects such as the Iran-Japan petrochemical complex were formed to procure oil resources. While other advanced nations suffered from a long period of stagflation following the oil crises, Japan quickly recovered in the late 1970s. The revaluation of yen affected Japanese exports but reduced the cost of oil procurement,

and Japanese trade surplus reached over \$24 billion in 1978 (Samejima. 1982. pp15-24).

Under such increasing trade surplus and international pressure, Japan was obliged to make overall improvement in its aid, quantitatively and qualitatively. Japan set out in a three-year plan to double its ODA and to increase the percentage of grants and untied aid. Also, the Japan International Cooperation Agency (JICA) was founded to improve technical cooperation in 1974. While other countries seemed to be reluctant to expand aid because of their depressed economic circumstances, Japan continued its increases. Japanese ODA rose from \$458 million in 1970 to \$1104.9 million in 1976, \$1424.4 million in 1977, \$2215.4 million in 1978, \$3353 million in 1980 and \$3761 million in 1983 (See Table II-1). The Japanese plan to double ODA from 1978 has been completed and a 5-year doubling plan since 1981 has achieved 97.7% of target. According to the 1985 budget bill of general account as passed by the Japanese Government, the ODA budget shows the highest increase among all items, 7.8% exceeding the second highest, the national defense budget (Mainich. Dec.30 1984).

Since the late 1970s, however, Japanese aid policy has tended to have a more political tinge as a result of U.S. pressure and international tensions. Increases in aid to such countries as Thailand and Pakistan after the Vietnam aggression in Cambodia and that of the Soviet Union in Afghanistan in 1979 are evidence of such politicization (Samejima. 1982. pp29-30). The tendency to focus more

on the East-West problem rather than the North-South problem seems to be increasing in the 1980s under the political alignment of Japanese Prime Minister Yasuhiro Nakasone and U.S. President Ronald Reagan.

The next section examines the principles of Japanese aid, which were framed with the above history as a background.

### Aid Principles

Keizai Kyoryoku no Rinen, compiled by the Economic Cooperation Bureau of the Japanese Ministry of Foreign Affairs in 1981, defines the principles of Japanese aid as follows. First, aid is the cost Japan has to pay as a peaceful nation for its security. Second, it is the cost Japan has to pay as an economic superpower, whose influence over the world's economy and that of developing countries in particular, is great. Third, it is cost of the external dependency of Japanese economy, especially for natural resources. And fourth, it is the role Japan should play as the non-Western nation which has experienced modernization (Gaimusho. Keizai. 1981. pp75-84). Although there are other official reports on Japan's foreign aid by other sources like the Ministry of International Trade and Industry (MITI), these are thought to be the guiding principles for Japanese aid.

It may be worthwhile examine the above points further to analyze Japanese aid policy and its characteristics. Apart from the internationally accepted aid principles (humanitarian reasons and the interdependency of the world) the report claims that Japan has stronger reasons to promote aid from the above points. Concerning the first point, as Japan has abandoned war-making it cannot make direct military contributions for international peace. Because of the international criticism that Japan has not made enough of a contribution to international security, Japan should make further effort to establish a peaceful and stable international environment. Through aid, Japan can contribute to the solution of the North-South problem, which holds one of the keys to world detente (ibid. pp76-78).

Second, Japan's GNP \$836.2 billion in 1978, is placed third in the world following the United States and the Soviet Union. According to OECD's Interfutures report, Japan's GDP per capita is predicted to be the world's highest exceeding the U.S. in the year 2000. On the other hand, Japan's economic growth has been promoted through initiatives of the private sector. Japan's bilateral aid totaled about \$10.8 billion between 1960-1979 while direct investment and export credits by the private sectors to developing countries was three times higher, \$33.5 billion in the same period. Some 57% of private investment and 75% of export credits went to developing countries in 1980. Under such circumstances, Japanese economic activities receive considerable international attention and are often

the subject of scorn. It is often said that Japan has an economic "overpresence" in developing countries. Aid can contribute to reducing such economic friction and create better relationships with developing nations by contributing to their economic development with the transfer of Japanese technology (ibid. pp78-80).

Third, the external dependency of the Japanese economy, especially for natural resources, is very high. Japan's import of natural resources in 1978 was 73.3% of its total imports. Also, 53.6% of Japan's total imports came from developing countries and 47.6% of its exports in the same year went to these countries. Therefore, the stability of developing nations and the maintenance of friendly relationships are indispensable for the Japanese economy. Aid can play an important role in covering Japan's external dependence vulnerability by contributing to the economic stability of these nations (ibid. pp80-82).

Fourth, Japan as a non-Western country has achieved rapid modernization and industrialization in less than 100 years. Japan is regarded by many developing countries as a model and they are eager to learn of its experience and process of modernization. In this sense, Japan can respond to their expectations by assisting their development through aid (ibid. pp82-83).

From the above points, what can be concluded is that Japanese aid is the "cost" Japan has to pay for its total security, including military security and the procurement of energy, natural resources and food supply vital to her role in maintaining international

order. As these Japanese aid principles will be commented on in the conclusion, the paper delves into the next section, which covers into the amounts, forms, and geographical distribution of Japanese aid.

### Amounts, Forms and Geographical Distribution

Japan's economic cooperation is classified into four categories: Official Development Assistance (ODA) comprised of grant aid,<sup>1,2</sup> yen loans, technical cooperation and contributions to multilateral organizations; Other Official Flows (OOF) consisting of financial resources provided by the Export-Import Bank of Japan and other government agencies as export credits and direct investments; Private Flows (PF) including export credits, direct investment and other capital flows financed by the private sector; and voluntary aid by non-governmental, nonprofit organizations (APIC. A Guide. 1984. p5).

ODA totaled \$3761 million in 1983; OOF amounted to \$1954 million in the same year; PF accounted for \$2918 million; and voluntary aid was \$30 million (See Table II-2). The ratio of total official aid flows to private flows is roughly two to one. Although voluntary aid has been gradually increasing, it remains minor, about 0.7% of ODA. This is partly because there is not much tradition of charity by religious organizations in Japan and partly because the interest of the Japanese people in aid in general remains very low.

In quantity, Japanese aid has been favorably increasing, while the rate of increase other countries has tended to be slowing or decreasing. Japanese official aid in 1983, \$3761 million, takes third place among 17 Development Assistance Committee (DAC) member countries of OECD exceeding Germany (See Table II-2). By comparison, it is four times more than the average amount between 1972-1974 of \$916 million. Its ratio to GNP, 0.33%, has reached its highest level thus far but has still not attained the international target of 0.7% and ranks 9th place among the members (The average ratio between 1972-1974 was 0.24%). There is, however, a lot of scope to improve its quality. Both the grant share of ODA 55.2% and grant element of the total ODA, 79.5%, rank next to the lowest (in 1978 the grant share was 48.1% and the grant element was 75.0%). The reason for the low Japanese grant element is due to the low grant share among capital flows as the share of loans in total ODA is high. Japan has been trying to improve its ratio of untied aid against the opposition of the Japanese industrial circles and this share of total ODA has risen to 69.9%, 6th among the members (in 1978, the untied ratio was 40.3%). Bilateral aid totaled \$2425 million, 64.4% of the total ODA, and multilateral aid, \$1336 million, or 35.5%. Contributions to multilateral organizations, the total amount of which is next to the United States, has increased if compared with average donations between 1972-1974 when the bilateral aid was 77.2%, and multilateral, 22.7% (See Table II-1,2,3,4).



In geographical focus, Japanese aid extends from Asia to the Middle East, Africa and Latin America. But Asia, especially Southeast Asia, has always been the biggest recipient of Japanese aid because of its geopolitical, historical and economic ties. Asia has been receiving a relatively constant 70% of Japan's total bilateral aid although it was more than 90% until 1970. The major recipients are Indonesia, Korea, Bangladesh, Burma, Thailand, the Philippines and China<sup>3</sup>. Indonesia, however, has been traditionally the biggest recipient. This is because Indonesia is regarded by the Japanese political and economic world as the key to the stability of Southeast Asia and also because of its rich natural resources and large Japanese investment. In 1982, Asia comprised 68.6% of total Japanese ODA and next, Africa, 11.3%. Although the Africa share was previously very small, after the late 1970s it has been increasing mainly for humanitarian reasons.<sup>4</sup> The third, the Middle East shared 8.2% and Latin America, 7.8%, and Oceania one percent in the same year (Gaimusho. Data).

The contribution to LLDC countries remains very small, 18.3% of total ODA in 1983, though that to other low income countries (LIC) comprised 52.1% in the same year (See Table II-9). This is because most of the LLDCs are in Africa. Among LLDCs, Bangladesh is the biggest recipient and Nepal is next. Although Western Samoa, the only LLDC in Oceania, received \$3.85 million in 1981. But this is reported by the mass media as a "quid pro quo" type of aid in return for licensed fishing in the 200 nautical mile zone.

As Japanese aid has been expanding, its forms and sectors have become complicated ranging from small scale program of \$10,000 to large national projects which exceed over one billion dollars. In 1983, project aid comprised about 88.6% of the Japanese total bilateral aid (See Table II-5). In sectoral allocation, the development of public utilities, that is to say, infrastructural development for industry, shares the largest portion and amounted 53.5% of bilateral aid in 1983. Next, mining industry construction comprised 13.4%, agriculture, forestry and fishery development, 11.6%, education, 6.9%, social infrastructure and welfare, 4.2% and Health, 4.1% (based on Table II-5).

Although the proportion of technical cooperation has been gradually increasing, its share of total ODA still remains low in comparison with other countries (See Table II-6). In 1983, it comprised 10.2% of the total Japanese ODA (it was 4.7% in 1970 and 8.4% in 1980) (based on data of DAC). The Japanese Government, which regards manpower the base for nation building, is eager to promote technical cooperation. The number of students and trainees sent to Japan has increased to 12,394, three times than that of 1970, and experts and volunteers sent to developing countries totaled 11,094, four times than that of 1970. They both rank second place among the DAC members (See Table II-7,8).

According to Keizai Kyoryoku no Rinen, the sectors besides technical cooperation on which emphasis should be put are increasing food production to solve the food shortage problem; the development

of new and renewable energy sources; and infrastructure development for public facilities and industries which promote public benefit. The report also claims that Japan should promote its aid to Asia if East Asia will be the center of the world economy in the 21st century and a prime mover the world economy as the Interfutures report by OECD forecasts (Gaimusho. Keizai. 1981. pp88-93).

#### Implementation Mechanisms

The Japanese aid bureaucracy consists of three ministries and one agency: Ministry of Finance, Ministry of Foreign Affairs, International Trade and Industry (MITI), and the Economic Planning Agency. The Ministry of Finance controls more than 70% of the ODA budget including financing multilateral organizations, and lending through the Japanese Export and Import Bank and the Overseas Economic Cooperation Fund. The Ministry of Foreign Affairs administers more than 20% of the ODA budget including most of bilateral grants and technical cooperation through the Japan International Cooperation Agency (JICA). While the Ministry of Foreign Affairs tries to use aid as a means of Japanese diplomacy, MITI deals with aid in relation to Japanese economic and industrial policies. Consequently, aid policies have been made in the midst of ministry sectionalism with its conflicts and compromises (Samejima. 1982. p107).

The mechanism of Japanese aid implementation is formal and complex, requiring numerous steps and several years from the receipt of an assistance request to the evaluation of aid effects. The developing country request is made through diplomatic channels; the Ministry of Foreign Affairs studies it and if found appropriate, a survey team is sent out and aid policy is formulated. While consulting with the Ministry of Finance about the budget, the Foreign Ministry negotiates with the government of the recipient country through the Japanese embassy. After the aid budget is approved, an Exchange of Notes (E/N) is made. Then, it goes on through the standard procedures including contract for project implementation, disbursement, and evaluation of aid effects (APIC. A Guide. 1984. pp13-17).

Although this request-based procedure has been customarily established, there are problems. For one thing, developing countries often request more aid than they have capacity to absorb. For another, prior to the request from developing countries, project initiatives have already been taken by Japanese enterprises, or an "aid promise" has been previously made by Japanese politicians with recipient governments. For fear of promising projects being taken by other countries, MITI, Japanese companies and some technical experts advocate the "proposal method": sending out project-finding teams directly to developing countries without waiting for a request to arrive. On the other hand, the Ministry of Foreign Affairs, which regards the negotiations through diplomatic channels important, is

considering the "menu method": Japanese experts identify and formulate proper projects for developing countries and the countries select the ones which suits their development plan and funding capacity (Samejima. 1982. pp114-115).

## II. JAPANESE OFFICIAL DEVELOPMENT AID TO PACIFIC ISLAND STATES

### Amounts and Forms of Japanese Aid to the Pacific

Aid is one of the biggest contemporary issues for the Pacific island states. The purpose of aid is, in general, to help a country achieve true independence. It is regarded to be indispensable for the development of the islands. In reality, however, foreign aid seems to make the islands more and more dependent. These islands, which were formerly self-sufficient, are now heavily dependent on foreign aid without which they appear unable to sustain their economy. Together with remittances sent from extended families overseas, aid is the main financial source of many of the islands.

When one takes a look at the prospects for economic advancement of the island states, those which have the greatest development potential are Melanesian countries such as Papua New Guinea, the Solomon Islands and Vanuatu. They are continental islands and have richer natural resources and bigger land areas than other islands. Fiji, which is geographically included in Melanesia, also has resources and land scale comparable to the above islands, and is the most advanced in terms of economy and industry among the islands. Most of Polynesian countries, such as Western Samoa, Tonga and the Cook Islands, have poor resources and smaller land areas. Although

they have adequate resources to sustain their subsistence lifestyle, the potentiality of development is limited. The atolls, such as Micronesian islands of U.S.T.T.P.I. and Kiribati and the Polynesian islands of Tuvalu, have the poorest resources and smallest land areas. Especially in the latter two countries, the population pressure is increasingly a serious problem.

According to E.K. Fisk, the aid dependency of Pacific islands states is so great that most of them have no option but either "permanent dependence on aid," or "a substantial reduction of incomes" (without aid). In the latter case, they cannot avoid a drop in the present level of living standard. He says the aforementioned Melanesian countries have "the best prospects for the use of aid as a means of attaining economic independence." Fiji has "a favorable objective for aid and investment" but there is the danger of the flow of aid dependency and foreign investment. On the other hand, the above-listed Polynesian countries are "in imminent danger of permanent dependency on aid" and migration is "a significant feature of their adjustment." About the small atoll countries, he states that they have no option but permanent dependence on aid and "migration in large scale is a conceivable solution if they can find a suitable host country" (Fisk. 1982. pp33-35).

Although Fisk seems to oversimplify, aid indeed plays a substantial role in sustaining government revenue and development expenditure of the islands (See Table III-10). The aid received by

the countries in the region is small in absolute terms in comparison with that in other areas. However, they receive the most aid per capita of any region in the world (Jackson. 1984. p167). Aid per capita in American Samoa, French Polynesia, New Calenonia, Niue and Tokelau, and the U.S. Trust Territory of the Pacific Islands (T.T.P.I.) in 1980 exceeded over \$900 per capita (See Table III-11). A large proportion of local government budgets is now supported by aid: Papua New Guinea receives 30 percent of its government revenue from Australia (Jackson. 1984. p146). The combined national income of the Pacific states totals only about \$6 billion, of which Papua New Guinea has about one-third. Most of their national incomes per capita amount to several hundred dollars. Those having a high national income per capita of over \$3000 are American Samoa, French Polynesia, Guam, Nauru and New Caledonia (See Table III-12). But they are supported by heavy subsidies from France and the United States supplementing income earned from their main industries. Nauru, which has a national per capita income of \$9091, is the exception owing to phosphate mining. Fiji, which has gross national income per capita of \$1698 in 1981 (See Table III-12), is the only country which is relatively economically independent, owing to its sugar industries. However, the non-monetary sector comprises a large part of the subsistence economy in Pacific islands, and these national income figures can be said to understate their total economies.



In 1980, total aid appropriated to the region amounted to about \$1069 million. Out of it, about 5 % came from the multilateral organizations, the Asian Development Bank (ADB), the European Economic Community (EEC) and the United Nations Development Program (UNDP) (based on data in SPC. 1981. p25). Apart from these multilateral organizations, most of the major donors are former colonial powers (except for France and the United States which have not relinquished their territories).

Unlike Britain, Australia, New Zealand, France and the United States, Japan does not really have a long historical and political relationship with the Pacific island states. The only exception is Micronesia, which Japan administered as its mandated territory in the prewar time while successfully promoting economic and industrial development.

As has been mentioned, Japanese aid to the region can be characterized by the following points. Firstly, the amount of aid is very limited. Secondly, the main focus is always fisheries projects. Thirdly, it has been granted on an ad hoc basis, as the principles of aid policy to the region had not been established until recently.

When Japanese aid to the Pacific islands is discussed, it is clear that the region does not fall within the criteria for Japanese aid delivery. As examined in the previous sections, the region does not meet the conditions of Japanese aid principles and characteristics. It is not directly connected with Japan's security,

nor does it have a market large enough to attract the investment of the Japanese private sector. It also does not provide important natural resources needed by Japan except for fish and certain other resources.

Under such circumstances, Japanese aid to the region has been limited and sporadic. The earliest data available on Japanese aid to the region indicates that only \$230,000, about 0.04% of total Japanese aid in 1972, was allocated to the region, and the next year, \$2.56 million, about 0.3% of the whole (Gaimusho. Statistical Data). From the late 1970s, however, the 200-mile exclusive economic zone has become a major international issue. Japan, which had been using the fishing grounds of the Pacific, was thus obliged to pay attention to the region. Also, the ocean dumping of nuclear wastes issue, the rising interest in the "Pacific Age" and the international concern for the North-South problem all in all made Japan consider the region as the subject of aid concern.

For such reasons, Japanese aid to the Pacific islands nations has started with the elements of "quid pro quo." The amount of ODA to the region was \$4.64 million, or about 0.3% of the total Japanese ODA in 1978; rose to \$13.60 million, about 0.7%, in 1979; \$11.58 million, 0.6%, in 1980; \$19.42 million, 0.9%, in 1981; and \$22.63 million, 1.0%, in 1982 (ibid.). In 1981, bilateral aid received by the region from DAC countries including Australia, France, United States, Britain, New Zealand and Japan totaled \$900.60 million. Of

it, Japanese ODA of \$19.42 million ranked sixth, comprising only 2.1% of total bilateral aid to the region (See Table III-13).

Among the Pacific islands, the recipients of Japanese aid are Fiji, Papua New Guinea, Western Samoa, Tonga, Solomons, Kiribati, Tuvalu, Vanuatu and the U.S. Trust Territories--Palau, the Federated States of Micronesia (FSM) and the Marshalls. In 1982, the biggest recipient was Papua New Guinea, which received \$3.69 million, about 16.3% of the total of \$22.63 million extended from Japan to the region. Other major recipients in the same year were Western Samoa, which received \$3.48 million, about 15.3%; Fiji, \$3.21 million, or 14.1%; the Solomons Islands, \$3.16 million, 13.9%; and Kiribati, \$1.92 million, 8.4%. The U.S.T.T.P.I. received in total \$4.28 million about 18.9% (See Table III-14).<sup>5</sup> In accordance with principle, Japan does not extend aid to international or regional organizations of which Japan is not a member. Therefore, the Pacific regional organizations such as the South Pacific Bureau for Economic Cooperation (SPEC) are not counted as recipients of Japanese aid.

Except for Papua New Guinea, where loans are extended, Japanese aid to the region is given as grants. Regarding the types of aid, fisheries aid holds the biggest allocation because of both donors' and recipients' interests and Japan's ample experience and technical knowledge. Among a total of 55 grant aid projects handled in the region through March, 1984, fisheries aid accounted for 20, about 36% of the whole; second is general grant aid, which numbers 17, about

30% (this covers medical care, public health, education, agriculture, and communications and transportation); others are, in order, aid for cultural activities (10, 18%), disaster relief aid (3, 5.4%), aid for increased food production (3, 5.4%), and food aid (2, 3.6%).

Technical cooperation, which totaled \$6.85 million in 1982, shared about 30% of the \$22.63 million Japanese ODA extended to the region in the same year (Gaimusho. Statistical Data). As explained before, the share of technical cooperation in Japanese ODA is generally low, about 10%. In this sense, the proportion of technical cooperation allocated to the region is higher than other regions. This shows Japanese eagerness for cultivating manpower in the region.

#### Japanese Aid to the Pacific by Country

Tables I (A-K) show in detail Japanese aid by major recipients of the region. The countries are Fiji, Papua New Guinea, the Solomon Islands, Western Samoa, Tonga, Kiribati, Tuvalu, Vanuatu, the Federated States of Micronesia (FSM), Palau and the Marshalls Islands. As shown in these data, Japanese aid to the Pacific island nations centers on the field Japan takes an interest in, that is to say, fisheries development, and aid to other sectors is sporadically extended at the request of recipients. As Japanese aid to the region began in just the late 1970s, its principles and basic policy have

yet to be established. It has been carried out on an ad hoc basis without a definitive perspective on the future of the region.

Fiji is geographically situated in the center of the Pacific region and culturally stands on the crossroads of Polynesia and Melanesia. Together with Papua New Guinea the country has been playing a major role in the politico-economic spheres of the region. Especially, its contribution to regionalism is significant. Its primary exports are sugar, fishing, gold and copra. Tourism is also a major industry but sugar is the biggest export earning product (60% of all the exports) (Pacific Islands Year Book. 1984. p87). Indians, who support the industry as cane growers, also control the country's business and commerce.

Fiji is the least dependent on aid among the islands. Its foreign aid comprised 3% of national income and 8% of government expenditure in 1982 (See Table III-10). Since 1979, Australia has been the biggest donor to Fiji, while aid from Britain, its former colonial power, has been decreasing. In 1982, Australia extended \$15.56 million, 51.9% of total Fiji bilateral aid; next, Japan, \$3.21 million, 10.7%; Britain, \$3.14 million, 10.5%; and New Zealand, \$2.95 million, 9.8% (APIC. Waga. 1984. P352). Japan, which regards the country as the geo-political center of the region, opened its embassy in Suva in 1979, while Fiji established one in Tokyo in 1981. Japan has been increasing aid to the country since the end of the 1970s. It totaled 1220 million yen in grants through 1982. The projects ranges from fisheries development to disaster relief and education.

Also, investments have been made by the private sector in fisheries and tourism. When Prime Minister Nakasone visited the country in January, 1985, he promised extra aid amounting to \$10 million for the Fiji Nursing School, a fisheries terminal, and for the University of the South Pacific (See Table I-A).

Papua New Guinea, which boasts rich natural resources, has the greatest potential to develop economically and industrially among the Pacific islands. Its main exports are copper ore, gold, timber, and coffee. Copper ore held 51% of total exports in 1982 (Pacific Islands Year Book. 1984. p336). Foreign aid supported 10% of national income and 36% of government expenditure in 1981 (See Table III-10). Papua New Guinea's largest donor is, as expected, its former colonial power, Australia. Australia provides 30% of PNG government budget and the total amount of aid appropriated in 1983-84 was estimated at over A\$300 million. This means that about 85% of the total aid PNG receives comes from Australia. Other main donors are international organizations and West Germany (Jackson. 1984. p158). In addition to the aid, there is a large number of Australian expatriates working in PNG, and Australia has a very strong influence on the country even after 10 years of independence. In 1982 Australia provided \$263.45 million, 95.4% of the total bilateral aid received by PNG; next, West Germany, \$4.8 million, 1.73%; and Japan at \$3.69 million, 1.34%, ranking third (APIC. Waga. 1984. P358).

Among Pacific islands, PNG is the largest recipient of Japanese aid. Japan offers loans commensurate with the absorption capacity of the country and these reached 8622 million yen as of 1982. Grants amounted to 660 million yen through 1982. As the PNG government follows a principle of accepting only untied grants, Japan has not extended any grants after 1978. This is probably because the conditions of aid from Japan and other donors are not favorable in comparison with Australian financial aid, which is untied and at the discretion of PNG. It is also said that the flow of Japanese goods into the country under the name of Japanese grant aid is not favorable to the interests of the Australian commercial sector (Oceania Institute. 1983. p202). Japan opened its embassy in Port Moresby in 1975, while Papua New Guinea established theirs in Tokyo in 1977. During Prime Minister Nakasone's January, 1985 visit, loan projects were discussed including the trans-island highway between Port Moresby and Lae, technical assistance in rice estate development, radio communication development and the Yonki hydroelectric power project. The relationship between Japan and PNG, however, is expected to be more as trade partners rather than donor-recipient as will be mentioned later in the trade section (See Table I-B).

The aid dependency of the Solomon Islands is also noteworthy. About 12% of national income and 46% of government expenditure came from foreign aid in 1982 (See Table 10). Britain has traditionally been the main aid source, although decreasing in amount. In 1982

Britain provided \$11.07 million, 50.4% of total bilateral aid received by the Solomon islands; next, Australia, \$.7.09 million, 32.3%; and Japan, 3.16 million, 14.4% (APIC. Waga. 1984. p360). As the country has excellent fishing grounds, nearly 80% of the total Japanese grants through 1982, 2605 million yen, have been allocated to fishery development projects. Consequently, fisheries has rapidly developed and become the country's largest export earner, followed by timber and copra. Apart from ODA, direct investment by the Japanese private sector is significant. Joint ventures have thus far been entered in fisheries and forestry (See Table I-C).

Western Samoa, whose exports depend on agricultural crops such as copra, cocoa and taro, is deeply dependent on aid. About 36% of national income and 65% of government expenditure were supported by foreign aid in 1982 (See Table III-10). The biggest bilateral donor to Western Samoa was, until recently, New Zealand. However, Australia has now replaced the former colonial administrator as leading donor. In 1982 Australia provided \$5.74 million, 37.4% of the total bilateral aid extended to Western Samoa; next Japan, \$3.48 million, 22.7%; New Zealand, \$3.18 million, 20.7%; and West Germany, \$1.2 million, 8.1% (APIC. Waga. 1984. P369). According to the OECD classification, Western Samoa is categorized in the group of Least Less Developed Countries (LLDCs), but this is the subject of argument since the country's national income ignores its large non-monetary economic activities. As the only LLDC country among Pacific islands, however, Western Samoa has consistently received aid from Japan,



totalling 2979 million yen through 1982. It is the largest recipient of Japanese grant funds among the islands. The biggest projects have been in fisheries development including the construction of a fish market in 1980. Aid for education and increased food production as well as food aid are also apparent. The Japan Overseas Cooperation Volunteers (JOCV) also have their heaviest concentration in Western Samoa and their contributions vary from civil engineering to public health (See Table I-D).

Tonga, the sole Pacific island country incorporating a monarchical system on the British model, has been promoting tourism and fisheries. Tourism is a major income source of the country along with copra export. Its aid dependency is lighter in comparison with other islands, comprising 8% of national income and 18% of government expenditure in 1981-1982 (See Table III-10). In 1982, Australia extended \$5.96 million, 48.0% of the total bilateral aid; next New Zealand, \$2.30 million, 18.5%; Britain, \$1.1 million, 9.0%, the United States, 1.0 million, 8.1%. Japan ranks fifth donating \$0.76 million with its share 6.12% (APIC. Waga. 1984. p362). Japan has extended through 1982 a total of 1505 million yen in grants. It has been allocated to fisheries development and education. Japanese aid to fisheries development has been quite successful (See Table I-E).

In the case of Kiribati, 22% of its total budget was supported by external aid in 1981 (ADB. Task. 1983. p111). In 1982 Britain extended \$9.34 million, 64.8% of the total bilateral aid; next, Australia, \$2.79 million, 19.3%; and Japan, \$1.92 million, 13.3%

(APIC. Waga. 1984. P356). Following the exhaustion of phosphate in 1979, copra and some fish products have become the only exports of the country. Kiribati has, however, the biggest 200-mile economic zone in the region and good fishing grounds, especially for tuna. As British aid is decreasing and the United States has not agreed to pay a fishing license fee in the 200-mile zone, the country has recently sought another source of financial support and has drawn wide attention. It now allows the Soviet Union to fish in the zone in return for a \$1.7 million license fee, which supports 10% of its national budget (The Wall Street Journal. 1986). With regards to Japanese aid, more than 90% of the 1267 million yen in Japanese grants received until 1982 was directed for fisheries development. It is reported, however, that there have been some troubles between the two countries over fishing license fees. Also, the Japanese down-range tracking station for rockets and satellites was established on Christmas Island, part of the Kiribati group (See Table I-F).

Tuvalu, formerly the Ellice Islands, became independent from Britain in 1978 and legally separated from the Gilbert Islands. The country is totally composed of atolls and at present copra and postage stamps are the only exports. Aid accounted for 17% of national income and 27% of government expenditure in 1982 (See Table III-10). In 1982, Britain appropriated \$3.36 million, 61.3% of the total bilateral aid; next Japan, 0.88 million, 16.1%; and Australia, \$0.85 million, 15.5% (APIC. Waga. 1984.P365). A total of 400 million yen extended by Japan up until 1982 has been entirely directed for

fisheries development. But the "Te Tautai," the fishing boat granted by Japan, is the subject of controversy because of its unsuitable capacity for the islands (See Table I-G).

Vanuatu, which was the condominium of France and Britain, became independent in 1980. The country had to totally depend on France and Britain for its budgetary support at independence. Exports and import duties, however, now support 70% of the budget and aid is now largely financing its development expenditure (Pacific Islands Year Book. 1984. p483). Overseas aid comprised 29% of national income and 48% of government expenditure in 1981 (See Table III-10). In 1982, France extended \$9.37 million, 40.2%; next Britain, \$7.56 million, 32.4%; and Australia, \$4.61 million, 19.8%. While aid from the former two colonial powers might decline in future, that from Australia is expected to increase. Japan, which appropriated \$0.87 million in the same year, ranks the fifth with its share, 3.73% (APIC. Waga. 1984. p367). Through 1982, Japan extended a total of 210 million yen for fisheries development. Investments by the Japanese private sector have been made in a joint fishing venture and in tourism (See Table I-H).

Japan began extending aid to the U.S. Trust Territory of the Pacific Islands (T.T.P.I.) (here excluding the Northern Marianas) in 1980 consistent with approaching independence. Needless to say, the United States has been the largest donor to T.T.P.I. In 1982 the United States allocated \$157 million, 97.3% of the total bilateral aid and next, Japan, \$4.28 million, 2.65% (APIC. Waga. 1984. p371).

Japanese grants through 1982 account for 860 million yen to FSM, 560 million yen to Palau, and 540 million yen to the Marshall Islands. Foci vary from fisheries to Infrastructure development. The U.S. economic assistance based on the Compact of Free Association will support the emerging countries during the initial 15-year period in return for military concessions granted to the United States. It is also reported by the Japanese press that the Japanese aid and commerce presence in the T.T.P.I, where Japanese goods are already flooding in, will increasingly displace the U.S. economic role in the future (See Table I-I,J,K).

#### Bilateral Aid by Metropolitan Donors

As shown in the previous sections, Japanese bilateral aid to the Pacific island states is very small, \$19.42 million in 1981, 0.9% of the total Japanese aid in the same year, or 2.1% of the total bilateral aid allocated by DAC members to the Pacific region (See Table III-13). It is instructive to compare with other donors.

In the same year, Australian aid accounted for \$322.10 million, 58.8% of the total bilateral aid given by the country, or 35.8% of bilateral aid extended to the region by DAC donors; next, France, \$316.50 million, 8.9% of its total bilateral aid, or 35.1% of aid allocated to the region; the United States, \$138.00 million, 3.2%, or 15.3%; Britain, \$46.63 million, 3.5%, or 5.2%; New Zealand, \$37.71

million, 74.7%, or 4.2%; and West Germany, \$12.37 million, 0.6%, or 1.4% (See Table III-13). Thus Japan, while exceeding West Germany, ranks 6th lagging Britain and New Zealand. The aid of the top three countries, Australia, France and the United States, is largely appropriated to their former or present colonies: Papua New Guinea, French Polynesia and New Caledonia, U.S. territories including Guam and American Samoa, and the U.S. T.T.P.I. including the Northern Marianas, respectively. For comparison, let's take a look at the aid of these countries in more detail focusing on two major donors, Australia and New Zealand.

The guiding aid principles of Australia, the largest bilateral donor to the region, encompass humanitarian purposes to alleviate poverty through development and the serving of strategic and economic interests as well. These are the major factors that determine the delivery of Australian aid together with recipients' needs and Australian aid capacity. Australian aid totaled \$753 million in 1983, about 0.49% of its GNP. It is all given as grants (See Table II-2), and the untied proportion of its total ODA is 70.4% (See Table II-4). In 1983-1984, 36% of its total aid, A\$840 million, was extended to Papua New Guinea, 25% to multilateral organizations, and 39% bilaterally to other Pacific, Asian and other developing countries (Jackson. 1984. p47). Australian aid ranges from the agriculture and infrastructure sectors to education and technical training, while geographically its delivery extends from the Pacific and Asia to Africa. But, because of their geopolitical ties with

Australia, the major recipients are Papua New Guinea and the island states of the Pacific.

Australian aid to Papua New Guinea in 1983-84 was estimated at over A\$300 million. Australia provides 30% of the PNG government revenue. Eighty-five percent of the total aid PNG receives comes from Australia and this inflow has a major impact on the PNG economy. The country also enjoys special trade access to the Australian market under the Papua New Guinea-Australia Trade and Commercial Relations Agreement (PATCRA), while Australia benefits from its large surplus trade balance with Papua New Guinea (Ibid. pp145-165).

Concerning the other Pacific island states, Australian aid totaled A\$40 million in bilateral form in 1982-83, about 5.3% of total Australian aid. Project aid forms the bulk of Australian aid to the region, while 20% went to regional organizations in 1983-1984 (Jackson. 1984. PP177-179). Except for the U.S. and French territories, Australian aid is extended to most of Pacific island states and usually ranks in the top three. Apart from Papua New Guinea, Fiji receives the highest proportion, about 5.6% of the total Australian aid to the region in 1980 (based on data, SPC. 1981. P25). Australia also a party to a preferential trade agreement, the South Pacific Regional Trade and Economic Agreement (SPARTECA), and the region enjoys its benefits.

According to R.S. Debreceeny, the characteristics of New Zealand development assistance since World War II can be summed up in the following points. First, ODA to the region in the initial stage was small and directed almost entirely to its territories (The Cook Islands, Niue, and Tokelau) and Western Samoa, which was a UN Trust Territory. Second, concomitant with the decolonization of Oceania and the changes in its own foreign policy in shifting emphasis from Europe and Asia to the Pacific, aid to the region has increased. Third, private sector and voluntary agencies have been playing an important role in development assistance in the region (Debreceeny. 1984. p207).

Although the amount of New Zealand aid is not large in absolute terms compared with other donors, New Zealand is one of the two countries which have the highest concentration of their ODA supplied to the region. As was previously shown, more than 70% of the country's bilateral aid has been allocated to the region throughout 1979-1981 and Australia's case was about 60%, while those of other countries remained several percent in the same period (See Table III-13). Except for the U.S. and French territories, New Zealand aid is distributed to all island states in equitable proportions. The highest recipient was regional organizations with a 26.3% share of the country's total aid to the region in 1980, and the second was the Cook Islands, with a 21% share (based on data, SPC. 1981. P25). Assistance ranges from infrastructure projects, agriculture and forestry to health, education, and technical cooperation including

dispatch of experts and acceptance of students and trainees. Emphasis is put on livestock improvement, crop production and shipping services (ADB. Task. 1983).

In addition to such development assistance, what should not be forgotten is that New Zealand has been accepting a large number of immigrants from Pacific islands, mainly from Polynesia including the Cook Islands, Western Samoa, Niue, Tokelau and Tonga. Its capital, Auckland, is the biggest Polynesian town in the Pacific. For instance, about 24,500 people from the Cook Islands and about 40,000 from Western Samoa are now living in New Zealand (Pacific Islands Year Book. 1984. pp55,505). Remittances sent to their homes play an important role in boosting the islands' economies. Together with Australia, the country also provides a preferential, non-reciprocal trade agreement, SPARTECA.

In the case of France, the second largest donor in the region, aid almost entirely focused on its dependent territories. That is to say, in 1980 more than 93.8% of France's total aid to the region was extended to its dependencies, French Polynesia, New Caledonia, and Wallis and Futuna (the last one comprises only about 2%). About 5.8% was allocated to Vanuatu and the rest went to Papua New Guinea, Tonga and regional institutions (based on data, SPC. 1981. P25) (ADB. 1983. Task. p117).

Concerning the United States, 98.2% of the U.S. aid to the region went to American Samoa, Guam and T.T.P.I. in 1980 (the last one comprises 54.8%). The rest was appropriated to regional



institutions, Papua New Guinea, Fiji and others (based on data, SPC. 1981.p25).

Aid from Britain was also mostly allocated to its former dependencies. That is to say, about 97.1% was extended to Fiji, Kiribati, the Solomon Islands, Tonga, Tuvalu, and Vanuatu in the same year (the Solomons received the largest portion, about 31%) (based on data, SPC. 1981. P25). But Britain's aid, especially budgetary grants, has been continuously declining (ADB. 1983. Task. p118).

Regarding West Germany, its aid allocation to the region fluctuates but, on average, about \$13.9 million was extended to the region during 1979-1981 (See Table III-13). Germany concentrates on Papua New Guinea, Western Samoa, Tonga and Fiji, as the former two were at one time its colonies. The sectoral focus is on agricultural development, water supply and sewerage, and general construction (ADB. 1983. Task. p116). In 1980, Tonga had highest share, about 57% and next, Western Samoa, about 26% (based on data, SPC. 1981. p25).

Thus, most aid from donors is distributed to their former and present colonies. That is to say, it is the cost they are paying for past colonial exploitation and administration. In this sense, Japanese aid has been so far more evenly distributed to the island recipients as it has no past historical, political connections with the islands except for Micronesia. Alternatively, it can be said that Japanese economic assistance to the region has a number of different meanings. That is to say, it is the responsibility of an economic superpower which shares the Pacific, or a return for its

interests such as 200-mile exclusive economic zones, or the cost for its present economic exploitation in the region. Compared with Australian and New Zealand aid, however, it cannot be denied that Japanese aid falls behind in terms of quantity and quality, and lacks trade preferential measures as well. It is probably not fair, however, to pass judgement on Japan's contribution to the region based only on bilateral aid. It is also necessary to take a look at multilateral contributions and next section delves into this subject.

#### Aid by Multilateral Organizations

There is much argument concerning bilateral versus multilateral aid. The Jackson report (p47), the Australian Government report on aid, asserts that bilateral aid provides donors with commercial opportunities and can be more tangible to taxpayers. Bilateral aid is apt to have political and economic strings attached, while multilateral aid is usually regarded as free from such pressures. But not all multilateral aid is free from political influence. Then too, there is much said about the bureaucratic inefficiency of international organizations. On the other hand, multilateral aid has more capacity for the mobilization of capital intensive, long term projects requiring technical proficiency. It is also open to international bidding, which hopefully promotes least-cost supply of aid financed goods and services.

At present five international organizations, Asian Development Bank (ADB), World Bank (including IBRD and IDA), European Economic Community (EEC), United Nations (including UNDP and other UN organizations), and the International Monetary Fund (IMF), appropriate aid to the region. According to the Task Force Report on the Study of the Bank's Role in the South Pacific Developing Member Countries (SPDMCs) in the 1980s prepared by ADB, multilateral organizations appropriated to the region an average of \$66.2 million annually during the period of 1977-81. Their aid to the region has increased by 32% annually during the same period. The form of aid from these multilateral institutions is normally either grants or concessional loans for project financing, while in case of IMF, it consists of balance of payment supports. The EEC, which has two resident delegations at Port Moresby and Suva, has been assisting SPDMCs since 1976. It provides financial assistance and support of regional exports under the Lome convention. UNDP, which has resident representative offices in Port Moresby, Suva, and Apia, mainly extends technical assistance grant funds for personnel, studies and training programs (ADB. 1983. Task. pp32-33).

ADB is the biggest multilateral donor. Its average financial flow to the region between 1977-1981 amounted to \$19.0 million, about 3.8% of the total official flows to the region and about 28.7% of the multilateral aid during the same period. The World Bank appropriated \$15.3 million, 23% of the total multilateral aid; EEC, \$15.0 million, 22.6% of the total multilateral aid; UNDP, \$6.6 million, 9.9%; IMF,

\$5.6 million, 8.4% (Table III-15). ADB's share of contributions has been increasing from 19% in 1977 to 32% in 1981. ADB provides its "Developing Member Countries (DMCs)" with loans and technical assistance for economic and social development, promotes DMC capital investment from both public and private sectors and coordinates development policies and plans. According to the ADB's Task, the World Bank plays less important role in the region. This is partly because its members are limited to Fiji, Papua New Guinea, Solomon Islands and Western Samoa, and also because the World Bank and ADB have agreed that ADB will play the leading role in the region. Some of World Bank's IDA fund is channeled under a co-financing arrangement with ADB (ADB. 1983. Task. pp33,34,61). It is reported, however, that Papua New Guinea and Fiji do not wish to be restricted to the ADB, and have requested the World Bank to increase its financing.

At present, out of 28 developing member countries, eight island countries, Fiji, Papua New Guinea, Solomon Islands, Western Samoa, Tonga, Vanuatu, the Cook Islands, and Kiribati, are members of the Asian Development Bank. The region received 2.1% of total ADB loans in 1978-1982. On a per capita basis, however, the share to the region is highest. It received over \$8.30 per capita on an annual average (if Papua New Guinea is excluded, \$20.60) during the same period. In comparison, other ADB recipients were granted \$2.70 per capita on an annual average during this period. Also, the Bank's Asian Development Fund (ADF), which is extended to poorer developing

countries on highly concessional terms, gives special consideration to the region. Except for Fiji and Papua New Guinea, all the SPDMCs are financed solely from the ADF even though their per capita income is higher than other DMCs receiving ADF assistance. Papua New Guinea receives aid flows both from the Bank's ordinary capital resources and the ADF. Under ADB's policy for SPDMCs, special emphasis is placed on technical assistance and the development of human resources, which coincides with Japanese eagerness for manpower development. SPDMCs received in 1978-1982 on average of 6.8% of total technical assistance grants (ADB. 1983. Task. pvii).

All the metropolitan powers of the Pacific are members of ADB, with Japan as the biggest donor. In 1983 ADB borrowed a total of \$254.5 million in the Japanese capital market, about 25.9% of the Bank's total borrowing, while \$100 million was borrowed in the U.S. market, about 10.2% and \$29.4 million in the Australian market, about 3%. Japan's contribution to the Asian Development Fund (ADF) and the Technical Assistance Special Fund (TASF) is especially significant. For ADF resources, Japan's contributed amount in 1983 accounted for \$1827.15 million, or 45.6% of the total, in comparison with the United States deposit of \$843.77 million, about 21%, and Australia, \$187.16 million, or 4.6%. For TASF Japan contributed about \$37.1 million, about 58.5%; Australia, \$2.4 million, 3.9%; and the United States, \$1.2 million, 1.9% (based on data, ADB. 1983. Annual. pp75,80,81).

Japan took part in the foundation of ADB from the early stages. Japan's national interest in Asia as a trade partner and market developed concomitant with Japan's economic development in the 1950s. Its desire for the foundation of an Asian regional development institution overlapped the regional need and the plan of the Economic Commission for Asia and the Far East (ECAFE) in the 1960s. Both plans were realized with international efforts and collaboration, including that of the United States. The Asian Development Bank was founded in 1966 in Manila and Japanese persons have been elected as presidents of the Bank since its inception. At the inaugural meeting of the ADB Board of Governors held in Tokyo in 1966, the then Japanese prime minister, Eisaku Sato, expressed Japan's enthusiasm and determination in full support of the bank. He assured that Japan would continue to extend financial and technical assistance to the Bank.

The United States is now more emphasizing bilateral aid and its contribution to ADB has been consequently curtailed. However, Japan, because of its historical and deep commitment to the ADB as well as its relationship with Asian countries, has been playing and will continue to play a significant role in the Bank. In this sense, Japan can take the initiative for an increase in the Bank's contribution to the Pacific island states. Thus, while Japan's bilateral aid to the region is limited, it can be augmented through this multilateral channel, especially by contributing to the Bank's

Asian Development and Technical Assistance Special Funds, which are of large benefit to the region.

### Trade and Private Investment in the Pacific

It is plausible that there are three means of economic cooperation to developing countries. One is ODA through official channels, the other two are trade and investment through private channels. All three are complementary and indispensable factors for economic development of developing countries in this interdependent world. The priority and demands on them, however, vary depending on the needs of developing countries and the interests of developed countries as well. If the level of economic development of a developing country is very low, its natural resources poor, and the priorities of their development plan are in meeting fundamental human needs, aid would be the most essential element. The more economic development has been progressing, however, the greater the need would be for trade and private investment (Gaimusho. 1981. p90). Except for some islands, most of Pacific island states are considered to fall into the former case, although their fundamental human needs seem to be fulfilled in their so-called "subsistence affluence." To reduce their aid dependency and help to achieve overall economic and

industrial development, however, trade and investment should also be promoted complementarily with aid. Especially in the case of Melanesia, such as Fiji, Papua New Guinea and the Solomon Islands, trade and investment can play significant role to push their development.

The Jackson report emphasizes the importance of trade relations with developing countries as follows:

Trade flows are vastly greater than aid flows, and trade is more important than aid for donors and recipients alike. Those developing countries that have pursued open economic policies have achieved faster growth, fuller employment and higher wages than those which have clung to protection. Australia's trade with developing countries is already far more important than aid, and progress in Australia towards a more open economy will be more important than aid for future relations with most neighboring countries (Jackson, G. 1984. p12).

To explore this issue, we take a look at trade relations between Japan and the region and with respect to other aid donors for comparison. Japanese economic activities have been expanding in the region and there is a heavy flow of Japanese goods. The total trade between Japan and the region amounted to about \$757.738 million in 1980, while in the same year the total aid extended to the region amountd to \$11.58 million. In the Australian case, the total trade with the region was \$854.994 million while that of aid was \$314.92 million in the same year (based on the data, Table III-13,16,17).<sup>6</sup> Therefore, as the Jackson report says, trade flow is indeed much greater than aid flow.



The main export markets of the island states are Japan and Europe and not Australia or New Zealand. In 1980, the amount of exports to Japan comprised 26.0% of the total exports from the region while France received 13.7%; the United States, 12.1%; Australia, 9.2%; Britain, 6.6%; and New Zealand, 2.0%. On the other hand, with regards to imports to the region, Australia is the biggest supplier comprising 26.1% of the total; next France, 13.9%; then, Japan, 11.7%; the United States, 11.0%; and New Zealand, 8.0%. In Australia's case, it has a large surplus of \$538.834 million in its trade balance. Likewise, New Zealand, France, and the United States had trade surpluses. On the other hand, in the Japanese case, the trade balance shows an excess of Japanese imports of \$131.989 million. The only other country which had trade deficit is Britain (based on data Table III-16,17).

Thus it seems as if the region had a trade surplus with Japan. Of exports to Japan, however, 70.4% came from Papua New Guinea and 20.8%, from New Caledonia (See Table III-16). About 72% of exports from Papua New Guinea to Japan was copper ore and about 86% of exports from New Caledonia was nickel ore. With copper ore from Papua New Guinea comprising about 45% of the total Japanese import from the region and nickel ore from New Caledonia about 18%, these two mineral items held about 63% of the total Japanese imports from the region (Gaimusho. 1981. p80).

These figures imply the characteristics and significance of Japanese trade with the region. Unlike Southeast Asia, the region is not really an attractive market for Japan. Apart from the two commodities and a few others, the region does not present many items which Japan would like to import. Also, as the total GNP of the region amounts to only about \$6 billion, it does not have much economic importance to Japan. If one compares the trade flow between Japan and the region with that between Japan and New Zealand in 1980, the former is small. It is about 50 % of the \$1504.6 million total trade amount between Japan and New Zealand (Gaimusho. 1981. p.79). Except for Papua New Guinea, new Caledonia, and Nauru (from which Japan imports of phosphate rock and ranks third), all other states have a huge trade imbalance, an excess of imports from Japan. For instance, in Fiji's case in 1981, its exports to Japan, \$18.78 million, were merely 21.5% of its imports from Japan, \$87.13 million. That is to say, Japan had trade surplus of \$68.35 million with Fiji (See Table III-16,17). Therefore, the aid extended to Fiji, normally around \$3 million, is like a drop in a bucket vis-a-vis its huge trade imbalance. The same thing can be said of other states.

Trade is originally conducted based on the reciprocal interest for both parties, exporters and importers. In reality, however, it seems to be working for the advantage of one party over the others'. This is especially so in the trade relationships between developed countries and developing nations. The Economist (Nov.30/1985. pp15-

16) reports that the increase in oil price which occurred twice in the past decade created stagflation among advanced nations, however, today's drop in price of raw materials now lowers their inflation and boosts their economic growth. According to the article, the rich countries have received \$65 billion as a "gift" from poor countries for the last year in the form of the reduction of import prices of primary commodities. Most of the exports from Pacific island states are primary products and the fluctuation of market prices seriously affects their economy and industry, especially since many of them depend on monocultural crops. What the region really needs is not only an increase in the amount of Japanese aid and encouragement of local industries, but also export promotion and access to Japanese markets. When thinking of these facts, Japan should take measures to lift import restrictions on the primary products of these Pacific states. Japan can offer non-reciprocal, special trade preferences like the Lome Convention of EEC, or SPARTECA and PATCRA which Australia and New Zealand provide to the region. If the island states can have more access to the Japanese market, they can promote more exports, which encourages the increase in their productivity and industries and leads overall economic development.

The other means of economic cooperation is through private investment. Private investment is also usually realized when the interest and merits between investors and investment country reciprocally meet. Like trade, the region is not really an attractive investment market for Japan as the natural resources of

the region are limited. There are, however, some resources in the fields of fisheries, tourism, timber and mineral industries which attract Japanese investment. There have been already various investments undertaken especially in the form of joint-ventures, including fisheries and tourism. In fisheries, tuna canneries of Solomon-Taiyo in the Solomon Islands and PAFCO in Fiji are examples. Also, in Vanuatu the South Pacific Fishing Company (SPFC), a joint venture between two Japanese trading companies, Mitsui Bussan and Taiheiyo Suisan and the Vanuatu Government, has been operating an export business of frozen fish to the United States, Italy and Japan. In tourism, Japanese trading firms and resort development companies have established hotels and resorts in a number of islands including Fiji, Vanuatu, and Micronesia-- Palau, Guam, and Saipan.

As joint ventures will be further discussed in the fisheries aid section of the chapter entitled Case Studies of Japanese Aid, this section only notes the following points. On one hand, joint ventures are welcome and give some favorable effect on island economies. It gives an impetus to economic development of islands by increasing exports and earning foreign currencies and creating employment opportunities. On the other hand, however, investment by Japanese enterprises, often backed-up by big financial powers in Japan, are also regarded to be menaces to islands' business and natural environment. Like trade, it seems to work more for the advantage of investing companies and their profits rather than those of local sides. Investment, which would create friction and competition with

local entrepreneurs should be avoided. As the part of private economic cooperation, Japan should invest in those fields which can contribute to overall development of islands. That is to say, investment should not only increase productivity, export income and employment opportunities but also should complement local needs and promote technical transfer and manpower development. There is also the need for concern and appropriate measures to avoid environmental destruction of the islands, which are considered to be vulnerable to contamination.

#### Pacific Basin Cooperation Concept

Initially, Japanese aid policy for the Pacific island states was not formed under established guidelines. The policy now seems, however, to be increasingly defined within the conceptual framework of Pacific basin cooperation. Therefore, it is important to examine the concept, abstracting from ideas presented by concerned study groups and organizations. A look is also taken at Japanese aid to the islands in the context of donor and recipient interests.

The "Pacific Basin Cooperation Concept" was first proposed by the late Japanese prime minister Masayoshi Ohira in 1978. A study group was then formed with Saburo Okita, noted Japanese economicst, as the charman plus representatives from four other rim countries, the United States, Australia, Canada and New Zealand. However, ideas

analogous to Ohira's concept had existed in Japan prior to his proposal. For example, in the late 1960s economist Kiyoshi Kojima proposed the Pacific Free Trade Area (PAFTA). Based on the idea of a "Pacific Economic Community," PAFTA was supported by the then minister of Foreign Affairs, Takeo Miki (Kojima. 1980. pp2-7). Also, various Japanese groups and international organizations, representing the academic, political and business spheres, conduct research and conferences on the possibilities of founding a Pacific community. Among them, the Pacific Basin Economic Council (PBEC), formed of Japanese business leaders and their counterparts in the private sector of other basin countries, is the most noted and probably the most active.

The primary aim of the concept is to establish a Pacific economic community analogous to the European Economic Community (EEC). The EEC is composed of countries which are more or less uniformly industrialized, have a similar standard of living, and share a common Western culture. On the other hand, the Pacific countries are more diversified in historical, cultural, political, economic and industrial context. They range from advanced nations in the Pacific rim to newly industrialized countries (NICs) in Asia and Latin America, developing countries in Asia and Oceania, and least less developed countries (LLDC) in some islands. Therefore, there are immeasurable difficulties to surmount, and it is hard to conceive a picture of a Pacific community.

According to Alan K. Henrikson, an American professor of diplomatic history, the use of the metaphor "basin" is an indication of the willingness to shape and crystallize the concept of the Pacific, which has been conventionally regarded as simply the world's biggest ocean. It is necessary that people in the Pacific have the feeling that they belong to a common community (The Wilson Center. 1979. p56).

The basic idea of the community, at least seen in common in Japanese circles, has the community as the center of the world, and based on peace and co-prosperity rather than military factors. It envisages Pacific development in a long-term perspective of deepening regional interdependency and complementarity. Not a closed membership but an open community, the emphasis is placed on economic relations rather than political ones. The concept considers the North-South problem in the Pacific as the important issue to solve.

Professor and economist Tsuneo Iida thinks that most of the region's developing countries are not radicals but are taking the course of moderation, while the advanced nations are possessed of youth and vigor. Thus the area may be a test case for the solution of the North-South problem. In this sense, Japan, with its economic power and commensurate with its international position, can play an active role in the founding of a Pacific community. (PBEC. July. 1981).

At present the concept exists only in outline form, and the major points can be summarized as follows: 1)promotion of mutual understanding through education and cultural exchange, 2)promotion of regional study, 3)development of human resources and technical cooperation, 4) cooperation and trade promotion and the coordination of industries, 5)cooperation in resource development including energy, agriculture, forestry, fishery and the ocean, 6)provision of smooth capital flows in financial markets, 7)development of transportation systems and satellite communication networks.

The primary bond which connects these Pacific countries is economic interrelations. Enhancing economic interdependency and correcting the economic deficiencies of developing countries are thought important in leveraging up the overall economy of the region. For these reasons, increases in aid, joint venture investment with non-equity arrangements between advanced nations and developing countries, and special trade preferences as opposed to zero tariffs, are considered for developing countries. For instance, Kojima proposes that ODA be pooled and used multilaterally in no-strings fashion through the creation of "revolving aid fund." With regards to the fund, he asserts two principles: first, the fund should be "completely unfettered so far as procurements are concerned" and secondly, "any positive imbalance between a country's sales under aid procurements and its aid commitment should be held with the fund" (Kojima, K. 1980. p15-16). Within the community, both Okita and



Kojima maintain the importance of special trade preferences for the so-called "basket cases."

Noboru Goto, a noted Japanese business leader and the chairman of the PBEC Japan committee, states that economic cooperation has passed the stage where merely money is appropriated to developing countries. Instead, it has reached a stage where technical transfers through joint ventures to the NICs and developing countries are appropriate for upgrading overall industries in the region (Taiheiyo Gakkai, 1984. p57).

The Pacific basin cooperation concept really centers on advanced, rim countries as the leading members with the so-called middle powers in Asia as the secondary members. The Pacific island states are placed at the margin. While economic relationships with ASEAN countries are regarded as important, Pacific island states situated inside the basin are not viewed as equal partners for economic activities. They are considered as recipients of aid. What is regarded as most important for Japanese aid to the region is the development of human resources and technical cooperation so as to promote the standard of technical knowledge and skills in the region. (This is included in No.3 of the seven key points of the concept above mentioned.) The island states' significance is defined with respect to the 200 mile exclusive economic zones, representing fishery grounds as well as potential mineral resources.

As to the islands' view of a future Pacific basin entity, Prime Minister Ratu Kamisese Mara of Fiji, who attended the 14th General Meeting of PBEC, held in Hong Kong in 1981, hoped that the "Pacific Way" would receive due consideration in the course of overall development of the Pacific (PBEC. July. 1981). The following year, S. Langi Kavaliku, the minister of Education of Tonga attended the 15th General Meeting of PBEC in Nagoya, Japan. He commented at the meeting that the urgent issue for the Pacific island states, which are limited in manpower and resources, was how to secure political independence and improve the standard of living by economic growth (PBEC. July. 1982). He has also remarked that the Pacific island states consider conclusion of agreements such as the EEC Lome convention a higher priority than the foundation of a Pacific community (Kavaliku, Langi S. pers comm. Honolulu. June/1985). Hopefully, the center of the basin would not fall out and the concept would not become like a doughnut.

#### Japanese Technical Cooperation

According to Professor Dudley Seers of the University of Sussex, development is a normative concept which is almost synonymous with progress accompanied by value judgement. Traditionally, capital, labor and resources are regarded as the three elements of economic development in development economics (JICA. Kaihatsu. 1984. p10).

Shinsuke Horiuchi, director of the planning department of the Japan International Cooperation Agency (JICA), has been engaged in economic development of developing countries for a long time. Contrary to the above mainstream view, he believes that "technology," "institutions" and "resources" are the framework of economic and social development of developing countries. Technology is dynamic and accelerating: the more technology accumulates, the more the technical base broadens. On the other hand, institutions are static. They are the norms restricting individuals in a society. Institutions are inherently rigid, but may change through the contacts with outside institutions and technology. Some social institutions tolerate such challenges but others do not. With respect to resources, new technology creates new resources. When resources are said to be limited, they are limited at a given time and at a certain level of technology. If technical development is infinite, then resources can be said to be infinite. Technology is a tool to exploit materials for the use of mankind as resources. Therefore, Horiuchi remarks that the economic advancement of developing countries can be taken as the process of technology transfer in which technology introduced from advanced nations is assimilated into society, culture and institutions (Horiuchi. 1984. pp252-258).

Then, when discussing Japan's aid to less developed countries (LDCs), technical cooperation is considered key to their economic development. As explained before, however, the share of Japanese

technical assistance of its total ODA still remains small. It amounted to \$385.1 million in 1983, about 10.2% of the total. It ranks fourth among seven DAC member countries next to France, the United States, and Germany (See Table II-6). Yet, Japanese technical aid has been improving in quantity and quality. By comparison, in 1970 it was \$21.6 million, about 4.7% of the total and ranked eighth among DAC members, and in 1980, \$277.8 million, 8.4% and sixth. Students and trainees sent to Japan numbered 12,394 in 1983, three times more than in 1970, and experts and volunteers sent to developing countries totaled 11,094, four times more than in 1970 (based on data, Table II-7,8). Both these measures rank second place among the DAC members.

The forms of Japanese technical cooperation range from accepting students and trainees, to dispatching experts and survey teams from JICA and volunteers from the Japan Overseas Cooperation Volunteers (JOCV), to the provision of equipment and materials, and to project-type cooperation. The fields of the programs for both trainees and experts include engineering, agriculture, fisheries, communications and transportation, public health, commerce, tourism, and administration. In the case of JOCV volunteers, which was founded in 1965 as an affiliate of JICA, agriculture, fisheries and education are major domains. Although they are young volunteers, the level of their technical knowledge and skills are generally higher than volunteers from other advanced nations and are appreciated despite their language handicap. Most Japanese sponsored technical

cooperation is organized by JICA, and 95% of such programs are based on a request by developing countries. The remaining are by requests from multilateral organizations such as the United Nations Industrial Development Organization (UNIDO) and the International Labor Organization (ILO). Geographically, 68% of trainees come from Asia such as Malaysia, Indonesia and Thailand. While about 60% of experts from JICA are sent to Asia, the major region JOCV volunteers are sent to is Africa (MITI. 1984. pp251,256).

Japanese bilateral technical cooperation has also been carried out through another channels such as private businesses, public corporations and religious organizations. The number of students and trainees on a non-governmental basis totaled 2,573 in 1983, more than a half of the number under governmental programs. The total of experts dispatched remains small, 136 in the same year (MITI. 1984. pp251,258).

As has been previously explained, the Pacific island states are the recipient of approximately one percent of total Japanese ODA. A total of \$6.85 million was extended in 1982 for ODA technical assistance. This is about 30% of the total Japanese bilateral ODA appropriated to the region in the same year and is 1.7% of the total Japanese bilateral technical assistance to developing countries (based on data, Gaimusho. 1982). Concerning personnel, 117 trainees came from the region in 1983. This is about 2.4% of the total trainees received from developing countries. The number of trainees increased seven times over that of 1975 and nearly two times more

than in 1982. A total of 120 experts and volunteers were dispatched to the region in 1983, about 1.7% of the total. Also, on a non-governmental basis, 52 trainees, about 2% of the total, were accepted by the private sector, and 5 experts, about 4.2%, were provided by business entities in 1983 (MITI. 1984. pp250, 257). Upon noting that the average share of Japanese technical assistance of ODA to LDCs is about 10%, the share of technical assistance to the Pacific island region can be said to be comparatively higher than other regions.

Although Japanese technical assistance to the Pacific island states seems to be improving and is appreciated to a certain extent, it is not without criticism. It often fails to achieve efficient results because of problems on both the donor and recipient sides. For one thing, there are not many Japanese experts who are well versed with foreign languages, nor those with enough working experience overseas. They have difficulties in communicating and instructing. For another, students and trainees are confronted with traditional values after they return to their societies which often contradict what they have learned through training. Therefore, simple transfer of technology through experts and trainees as a medium does not easily integrate into their society.

The Pacific island states mostly depend on primary industry, mainly traditional agriculture based on a subsistence economy. Skilled manpower is indispensable for modernizing industry to increase their productivity and exports to the world market. For people who are not used to working in modern industrial economies,

however, there are difficulties in management and administration, whether it be in fisheries, agriculture, manufacturing, or financing. What they need are not only technical skills but also administration skills. Some projects fail or collapse when transferred to local people after the experts return home. Technology transfers need follow-up and proper administration to ensure continuity in the staffing of technical posts.

According to Horiuchi, technical cooperation brings about changes in the social institutions of LDCs as the result of transferring technologies which have been monopolized by advanced nations. The speed of economics and social development can be also said to be the speed of the assimilation of technology. There is often frustration, however, about the fact that technical knowledge and skills do not really spread and take root among the people in LDCs despite the great number of students or trainees and experts. What is needed, however, is not to force changes upon institutions ill-suited to absorb technology transfers but to introduce technology which matches the social and environmental conditions of developing countries. For this, there is a need to develop technology appropriate to the recipients and this is, said Horiuchi, in a true sense, technical cooperation with developing countries (Horiuchi, 1984. pp260-262).

### III. CASE STUDIES OF JAPANESE AID TO PACIFIC ISLAND STATES

#### Fisheries Aid

As the world's biggest fishing country, Japan emphasizes fisheries development of the region.<sup>7</sup> As has been mentioned, its fisheries aid comprises the biggest allocation, 36% of Pacific ODA in 1983. The reasons include both donor's and recipients' interests, Japan's ample experience and fishing technology, as well as the resultant gains to Japanese fisheries. Another reason for Japan's inclination to fisheries is that funds are easily appropriated since the sector has its own independent annual budget. The other sectors, such as education, are lumped together in general grant aid with a number of items.

To the Pacific island nations, whose resources are limited, marine resources are of primary importance. This has been especially so after the establishment of the Exclusive Economic Zone (EEZ). Their fish resources are skipjack, yellowfin, albacore, big-eye--for the tuna industry and shellfish and prawns for aquaculture. Amongst these, the tuna industry--mainly skipjack--is the most promising (Kataoka, C. 1984. p66).

In 1984, a total of 630,000 tonnes of tuna were caught in the region. This comprises 35% of the world tuna catch in the same year. About 100,000 tonnes of the regional catch were harvested by Pacific islands and fishing boats based at ports in the region



(Doulman. 1985. pp3,7). Tuna fishing is usually conducted using three methods: long lining, pole and lining, and purse seining. The first method is applicable for deep sea tunas--yellowfin, albacore and big-eye and the latter two are for skipjack, which live in surface waters. Currently, 115 purse seiners and 700 long-liners (ibid. p3) are reported operating in the region. The main fishing grounds for these migratory fish, tuna, centers on the western and central Pacific. That is to say, Micronesia (FSM, Kiribati and Nauru) and Melanesia (Papua New Guinea, the Solomon Islands, and Vanuatu).

In the 1950s and 1960s, deep-sea tuna fishing was conducted by the more remote distant-water fishing countries in the region. Japanese fishing and trading companies operated in the region using the islands' ports as their bases. In the 1970s, however, concomitant with the industry recession, market change and the decrease in deep-sea tuna resources, skipjack tuna drew more attention. The United States started purse seining and Japan, pole and lining. Under such circumstances and along with the EEZ establishment, the Pacific islands showed greater initiative in pushing forward the industry and, at the same time, seeking returns from the catch taken in their EEZs by distant-water fishing countries such as Japan, the United States, Korea, Taiwan and the Philippines (Kataoka. 1984. pp66-78).

The license fee paid for fishing rights in EEZs has become an important financial source for some of the islands. The Pacific island countries, which are engaged or are trying to develop the industry are the Solomon Islands, American Samoa, Fiji, Vanuatu, Kiribati, Papua New Guinea, Tonga, Tuvalu, Western Samoa, and the U.S. T.T.P.I. Except for American Samoa's tuna canneries, however, it might not be an exaggeration to say that their industries have been largely developed by Japanese aid and investment, including technology said to be the world's most modern.

The content of Japanese fisheries aid to the region ranges from project aid such as the construction of fish markets, fishery training centers and research laboratories, to fishing training boats and the provision of fishing equipment such as freezers, fishing nets and gear. Technical cooperation includes the dispatch of the experts from the Japan International cooperation Agency (JICA) and Japanese Oversea Cooperation Volunteers (JOCV), and accepting trainees from island nations. The cooperation fields include marine engineering, fishing techniques, aquaculture and marine research (APIC. 1984. PP22,24).

Fisheries development in the region by Japan, however, cannot be discussed without reference to the Japanese private sector. Through their investments in the form of joint ventures, they have made large contributions to the development of some of the islands' fishing industry. Although their primary concern is their own profits through exploitation of the islands' resources, they are increasing

island employment opportunities, commodity exports and foreign exchange earnings. It can be said that, unofficially, both Japanese aid and private sector intervention have been promoted hand in hand.

What kind of fisheries aid and results, then, were made by Japanese fisheries development assistance? The following section features case studies in Fiji, Tonga and Western Samoa based on the field work conducted by the author in the summer of 1985. Although not the subject of a field visit, the Solomon Islands are first taken up since the country is the most major fishing state in the Pacific islands. Also, the joint ventures in the Solomon Islands and Fiji are examined for the aforementioned reasons.

#### a. Solomon Islands

Together with Micronesia, the Solomon islands carry special significance in Japanese history in the Pacific, especially to older generations of both Japanese and islanders. During the Pacific War, some of the islands became fierce battle grounds and it took a huge death toll on both the Allied and Japanese sides. Whether such a tragic past affects fisheries cooperative relationships or not is a different subject, however, Japanese assistance to the Solomons is marked by the concentration to fisheries sector through both Japanese official aid and private sector investment. Nearly 80% of total grants through 1982, 2605 million yen, have been appropriated to fishery development projects including a fisheries center and several fishing training boats (See Table I-C).

In the private sector, Taiyo Gyogyo, Japan's biggest fishing company, has surveyed fish resources in the sea off the Solomon Islands. The Solomons' seas are said to be exceptionally good fishing grounds compared with other parts of the Pacific. The joint venture with the Solomons Government, Solomon Taiyo C., was set up in 1971. The company's shore base and cannery were built in Tulagi and a second base constructed in Noro in the western province. The industry rapidly developed and, in 1977, the National Fisheries Development Ltd. (NFD) was established as a joint venture with Solomon Taiyo and the Solomons Government to encourage local fishing industry. Fish products have become the largest export single earner for the Solomon Islands. Although declining in 1982 due to the world market recession, it accounted for 41% of total exports in 1983(Doulman. 1985. p12). The fish products include frozen, canned and smoked tuna, or arabushi. Arabushi is directed to the Japanese market to serve as the soup stock for the Japanese diet. In 1983, tuna quota landed totaled 39,000 tonnes. The bulk of it, 34,100 tonnes, was exported in frozen form to Puerto Rico and the United States. Of the rest, canned products, 3,100 tonnes, were directed to Britain under the Lome Convention as well as some to the domestic market, and arabushi, 1,800 tonnes to Japan (ibid.).

The Solomons Government has promoted the localization of the tuna industry, the capital share of the Solomon Government increasing from 25% in the beginning to 50% at present. In employment, the proportion of Solomons crew became 69% in 1981, and that of cannery

employees, 96% (Kataoka, 1984, p76). The expansion of the cannery is also planned in the near future. There are, however, problems surrounding localization and technical transfer. There is still a big difference between the catch of the vessels largely operated by islanders and that of the boats manned by more Japanese crew. The issue is how and to what extent localization can be promoted.

The tuna industry of the Solomon Islands can be said to be the most successful example in the Pacific islands in terms of Japanese fisheries cooperation. As befits the major fishing country of the Pacific islands, the Forum Fishery Agency (FFA) is also founded in the Solomons' capital, Honiara. It is also a successful example of Japanese fishing cooperation through both the government and private sectors. For one it has contributed to building in the fisheries infrastructure, to increasing export and employment opportunities, and to training of local people. The factors in this success lie in the rich resources, and in the accordance and enthusiasm of both the Solomon Government and Japan which have enabled the industry to develop under cooperation.

#### b. Fiji

Japan has so far contributed to fisheries development in Fiji in a quite extensive scale including the construction of a fish market, fisheries training center and residence in Suva, a fishery wharf in Lautoka, a fishing training vessel, and equipment such as ice

plants. Technical cooperation includes aquaculture of prawns, grass carp and oysters for a source of protein.

Japanese cooperation to the fisheries of Fiji is two-fold as in the Solomon Islands: through ODA to the Ika Corporation and through a joint venture, the Pacific Fishing company (PAFCO). The corporation was established in 1975 in Lami on the outskirts of Suva, fully financed by the Fiji Government. Japanese fisheries aid has been extended through this corporation, whose present chief fishery officer is a British national. Ika owns eight fishing boats Ika Nos.1-8. Ika Nos.1,2,3,4 have been all chartered from a Japanese fishing company, Hokokusuisan, which used to operate in the sea off Papua New Guinea. Ika No.6, a concrete boat, was built in Fiji. Ika Nos.7 and 8 were built in Japan and purchased by Fiji. The Ika No.5, a pole and line fishing boat granted by Japan in 1979, is said to be significant in that it was the first boat newly built for the purpose of grant aid to the Pacific islands. All the other boats donated until 1979 had been used boats. However, this boat actually turned out to be too big (105 tonnes) and too technically complex to be operated by only Fijian crew, and Japanese experts from JICA have to be always on board. Although there is much appreciation for Japanese aid in Fiji, there is also criticism of Japanese tied aid and preferences for big and expensive projects. For instance, the chief fisheries officer told the author that they wanted to have a wharf of \$1.2 million, while Japan constructed one of \$5 million. Or, they

wanted two smaller boats instead of just one big boat, and so on (Hunt, P. Chief fisheries officer. pers comm. Lami. Aug./1985).

The fish caught by ships mainly crewed by local fishermen has been about a half that of chartered boats more assisted by Japanese fishermen, although the scale, facilities and number of crew are the same (Kataoka. 1984. p76). The proportion of Fijian fishermen has been increasing, but the lack of technical knowledge and skill in both fishing and engineering is the major problem. The chief fisheries officer requested more Japanese experts to train local fishermen.

Tuna industry in Fiji can be divided into two periods: the first one is the frozen tuna export business by the initiative of the Fijian Government after independence. C.Ito, a noted Japanese multinational trading company, operated the export business of frozen tuna in Levuka, Ovalau, since 1964. The joint venture was requested by the Fijian Government with the aid of obtaining foreign currency and employment opportunities. PAFCO was founded in Levuka in 1974. It was financed by C.Ito with 76% (now 71%) of the shares and the Fiji Government, 24% (now 25%--the rest is held by a Fijian) (PAFCO director-general manager. pers comm. Levuka. Aug./1985).

Fiji Can Pty. Ltd. was established in 1977 adjacent to PAFCO, and financed by a Japanese company, Toyo Seikan, (a subsidiary company of C. Ito) and the Fijian Government. Can materials are supplied from Japan. The PAFCO tuna cannery has three lines and a 45-ton productive capacity per day. A total of 8,500 tonnes of tuna was

processed in 1983 (Douliman. 1985. p10), which means that only about half of the processing capacity of the cannery was used. Most of the processed cans are exported to Europe and the United States.

Ika has been supplying PAFCO with tuna and PAFCO has been purchasing the fish from them at a higher than market price. As the only industry in Levuka, the old capital of Fiji, PAFCO employs about 200-300 Fijian workers, mostly women from Ovalau island. It also helps in one way to prevent the outflow of the population from Levuka, which otherwise would have no industry. The company, however, has been suffering from losses for the last five years and C.Ito is expected to withdraw from business within two years. As PAFCO not only provides employment in Levuka and purchases the fish from Ika, but also supports the 8.3% of the country's exports (in 1983) (Bureau of Statistics, Fiji. 1984), the survival of the company is of vital consequence of the country. Fortunately, it is said that a U.S. fishing company will take over from C.Ito.

The reason for the withdrawal of C.Ito is explained to the author as unprofitableness, but they also commented that "fishing industry is like gambling." Fisheries are said in Japan to be one of the most difficult industries to operate. Although C. Ito has dealt with almost all kinds of businesses, it is not an expert in fishing and there seems to be reconsideration within the company on dealing with such risky non-trading ventures. There were also comments from C. Ito on the high (55%) income tax imposed on Japanese staffers and on the difficulty in localization. In any case, PAFCO shows the



difficulties in joint ventures. There is on one hand the risk of nationalization, the so-called "creeping expropriation," and on the other hand, the risk of the withdrawal of the financing company such as C.Ito.

c. Tonga

Tonga is reputed to be a successful case of Japanese official fisheries aid. This owes much to a Japanese expert from JICA, Susumu Kawakami, who devoted himself to fisheries development and technical transfer in Tonga for a total of 15 years. Kawakami was first sent by the British Government in 1967 before independence. He made a great effort to train Tongan local fishermen and his name is widely remembered among Tongan people.

Japanese fisheries aid to the country ranges from the construction of a fisheries research center to fishing training vessels and fishing equipment. While there are often cases of mispending concerning Japanese grant boats, Tonga's case seems to have gone well. At present, there are three main fishing boats recently granted from Japan: The "Loha," a 188-ton long-line boat for deep sea tuna fishing, was granted in 1981; the "Takuo," a 23-ton pole and line skipjack fishing boat which is now used for bottom fishing was presented in 1978; and the "Albacore," a 13-ton, very small purse seiner used in Va'vau, given in 1981 (OFCE. 1983. P84).

The achievement made by the "Loha" is especially noteworthy. The boat has been actively engaged in deep-sea tuna fishing-- albacore, yellowfin and big-eye in Tonga's EEZ (Japanese grant ships are principally training vessels and strictly speaking, cannot be used for commercial purpose.) In 1982, the total catch harvested by Tongan boats is estimated at about 2,000 tonnes. By the "Loha" alone, about 311 tonnes of deep sea tuna were caught, of which about 176 tonnes were exported to PAFCO and the rest is consumed domestically (Pacific Islands Year Book. 1984. p411). Imported frozen saury from Fiji is used as bait. Unlike skipjack fishing, deep sea tuna fishing is not very seasonal and the boat operates throughout the year. Long-line fishing is extremely hard labor and requires higher technical skill than purse-seining. Also, in comparison with pole and line fishing, one voyage takes a much longer period--about one and one-half to two months. The "Loha" is entirely crewed by Tongan fishermen except for a Japanese expert sometimes aboard. According to the assessment of a Japanese expert, Tongan fishermen are industrious and can endure hard, long voyages (Japanese fisheries experts. per comm. Tongatapu. Aug/1985).

Apart from tuna fishing, under a joint project between Japan and the United Nations Development Program (UNDP), bottom line fishing boats which are sold to local fishermen are being built by Tongans. An aquaculture project is not conducted at present due to damage from a large hurricane in 1982. The total amount of Japanese fisheries grants to Tonga accounted for 1.05 billion yen (See Table I-E). In

technical cooperation, five fishing experts from JICA and 16 JOCV volunteers have been sent to Tonga and 11 Tongan people were accepted by Japan for fisheries training.

The success of Japanese fishery aid to Tonga is mainly attributed to the long devotion of a Japanese individual, the industriousness and aptitude of Tongans as fishermen and the eagerness of the Tongan Government. Tongan men used to catch whales in earlier times and, unlike other islands, do not really mind going for distant-water fishing over the reefs. Also, the high salaries paid to the "Loha" crew become an incentive for their willingness to work. The captain of the "Loha" is said to be paid as much as the country's minister class.

#### d. Western Samoa

In Western Samoa, the largest recipient of Japanese grant aid, a \$2 million fisheries center, was constructed in the Apia wharf in 1980. This is reportedly said to be "quid pro quo," playing for Japan's fishing rights. The huge fisheries complex includes a fish market, a fisherman's wharf, the office of the fishery division, a wet laboratory, refrigerators, mechanical workshops, vehicles, etc. However, it has been reported that the market is underutilized and was to be rented to a U.S. fishing company. The negotiations between the Samoan Government and the company, however, did not reach agreement, and in addition the Japanese Government is reported to

have been quite offended. Thus, the scheme was aborted. When the author visited Western Samoa, the spacious fish market was being used by local fishermen and the government but some laboratory facilities and refrigerators were not utilized.

Also, the "Tautai Samoa," a boat provided as a grant in kind, has not been used as a pole and line tuna fishing boat. Not only is the maintenance on this 23-ton ship poor, the boat is also not economically efficient to run. As the fish catch is not high, gross revenue does not meet the cost for bait, gas and maintenance. During the visit of the author, the ship was used as a fish aggregation device.

During interviews with a local fishery officer and a JOCV volunteer (Apia. Aug./1985), lack of understanding and communication was evident. The local official criticizes the Japanese for not listening to the local voice. For instance, JOCV built too large of a catamaran, with attendant high fuel consumption and high running cost. The Japanese volunteer comments on the thefts of fishing equipment and irresponsibility of top management, which impede technical transfer to local fishermen.

The fish market is said to have been designed and built according to the local request, however, the scale seems to be too big for their present absorptive capacity. Also, Samoans are not willing to go out on the open sea over the reefs and the training of local fishermen does not seem to be proceeding well. The problems of Western Samoan fisheries development lie in both the Japanese and

local parties. Not only is there incompatibility of the Japanese project with the local capacity and scale, but also there is an absence of Japanese experts who can settle down for sufficiently long enough periods devoted to technical training of local fishermen, as the case in Tonga. Finally, the obvious lack of the enthusiasm on the Samoan side makes fisheries development all the more difficult.

#### e. Assessment of Fisheries Aid

A Guide to Japan's Aid states Japan's policy on fisheries aid as the following:

Japan's policy in this field is to gain a thorough understanding of the actual conditions of the fisheries in such countries. Also taking into consideration the technical level of fisheries of the recipient country, Japan endeavors to offer cooperation for projects which are particularly suited to each specific country, thus contributing directly to the promotion of the fisheries in that country (APIC. A Guide. 1984. P24). (underlining added).

When one takes a look at this statement, the actual situation of fisheries aid is found to be rather contradictory. On one hand, Japanese fisheries aid has been appreciated and has successfully contributed to fisheries development of island states, as seen in some case studies. On the other hand, however, there seems to be cases which have not produced favorable results. Rather, some of them seem to be misdirected and ill-suited to islands. This is especially conspicuous in the case of fishing vessels provided as grant aid.

For instance, while the author was in Fiji she encountered the "Te Tautai" anchored off the port of Suva. This pole and line tuna boat was donated to Tuvalu in 1982. The ship, which was newly constructed with grant aid, is 179 gross tonnes with a length of 39 meters and 1100-horse power. This \$2 million ship is highly computerized and equipped with modern apparatus including a water-making machine. In the terms of its scale, technological level, running cost and its management, the boat is obviously beyond Tuvalu's capacity. According to a source in the Japanese Ministry of Foreign Affairs, the decision for the delivery of this ship was made at the last moment in Japan to consume an unexpected budget surplus. These excess funds resulted from changed circumstances in the original project, targeted for some other country. The boat was fairly forced upon Tuvalu despite the fact that they declined the offer because they obviously believed that they would be unable to manage it. This created a catch-22 situation. As the result, the boat has been placed under the joint-administration with the Ika Corporation and is nominally used as the research vessel surveying the resources. Japan is paying the running cost and Japanese experts are always on board.

Pole and lining boats are found not to be cost effective from the islanders' viewpoint. Pole and line boats need bait, and the costs exceeded revenue since their catch is not good enough to meet running cost. About the case of the "Te Tautai," it was first used for fishing in the EEZs of Tuvalu and Fiji and actually had a good

harvest in the first year. But since there is a lack of the bait, milk fish, it has become a research vessel. Many islands including Western Samoa request purse seiners, but Japan does not allow such grants for the reasons of preservation of the resources and technical problems.

According to fisheries officials in the islands where the authors conducted the field work, technical cooperation by Japanese experts and volunteers is generally appreciated. There was found, however, a lack of communication in some cases. Although some experts stay in, or periodically return to the same country a long span of time, the majority of experts terms are generally short, two or three years. Technical transfer needs a long time and it is desirable to provide experts who can stay long enough to work out technical transfer and promote localization.

There are, however, problems on the recipients too. They sometimes request whatever items they want and can obtain without really assessing real needs and suitabilities. In some cases, recipients lack the enthusiasm and effort required to develop and learn fisheries. The lack of good management impedes transmitting technical skills to local fishermen.

Fisheries are a difficult business to run, as has been mentioned. Price of market is subject to fluctuation and there is a large unsold stockpile of canned fish on the world market. The islands' economic scale is small, and each island country alone cannot compete in the world market. They might, however, be able to

compete if they develop fisheries on a regional scale under cooperation and coordination. Joint ventures are practical means to develop the industry which requires large capital investment. The joint ventures provide employment opportunities, give impetus to island economies and enlarge export income. As businesses, however, their priority is profit and, as seen in PAFCO's case, there is the danger of withdrawal from such ventures. Developing industries on the one hand invigorate island economies. On the other hand, they create problems such as environmental deterioration. For instance, water treatment for canneries is a problem. During the field work, the author visited American Samoa and looked out at Pago Pago Bay, said to be the best natural port in the Pacific, while riding a cable car. The bay was clearly polluted by the waste from the two American canneries, Star-Kist and Van-Camp. There are some protests against the contamination, however, it is hushed up since the factories maintain American Samoa's economy and create large employment. In Levuka, where PAFCO is situated, the water contamination was not evident since the cannery is located on the coast and directly washed by waves, while Pago Pago Bay is shaped like a pot and therefore water waste pools inside the bay. In Levuka's case, however, people complain that sharks approach near the coast seeking nutritious waste from the cannery.

As seen in these fisheries case studies, except for some countries, Japanese fisheries aid does not really seem to achieve efficient results in proportion to the amount of money and manpower



spent and scale encompassed. It rather betrays Japanese policy which advocates providing fisheries aid suitable to islands' conditions. Its over large proportions, unsuitable content and "quid pro quo" in nature playing for fishing rights also create controversies. Under such circumstances, there seems to be some reconsideration by the Japanese government of general aid policy to the region, and there are requests from islands to broaden sectoral aid. The next part features case studies which seem to suggest the future prospect of Japanese aid and its policy to the region.

#### Aid for Manpower Development and Technical Transfer

The late Japanese prime minister Ohira emphasized the importance of manpower development in his speech made at the fifth general meeting of the United Nations Conference on Trade And Development (UNCTAD) in 1979. Looking back at the last 100 years of Japanese history, he said, Japan has made great efforts to develop human resources as the prop of nation building. Lacking natural resources, Japan regards education as most important for manpower development and modernization. It is now the time, said Ohira, for Japan to contribute to the development of human resources in its cooperation with LDCs. Japan should assist overall education and the training of experts and professionals of LDCs so that they can have the capacity to absorb technology transfers (Gaimusho. 1981. p90).

As Ohira mentioned, manpower development and technology transfer are indeed indispensable components for building a nation and developing a country. If technology is thought to be hardware, manpower is the software to make it functional. The development of manpower increases the capacity to absorb technology transfer. Without manpower, technology cannot be transferred nor assimilated into society. Without technology, manpower cannot effectively achieve development.

With regards to the Pacific island states, the Japanese aid policy emphasis on manpower development and technology transfer is evident, as has been earlier mentioned. The share of technical cooperation allocated to the region comprises about 30% of the total Japanese ODA to the region, while the average proportion of technical cooperation in Japanese ODA in general is about 10%. The Pacific Basin Cooperation Concept and the contributions to ADB's Technical Assistance Special Fund (TASF), which is of large benefit to Oceania, are also evidence. It is further supported by the foundation of the Okinawa Human Resources Development Center in Okinawa-ken, the southernmost islands of Japan. At the Center, which was opened on April 1, 1985, young trainees from Asia and the Pacific Region learn techniques and skills, especially in agriculture and fisheries. When Prime Minister Nakasone visited the United States in January, 1985, the foundation of an Asia and Pacific high-technology center in Hawaii was discussed under Japan-U.S. collaboration. Also, a

regional fishing training center is reportedly planned to be built in Fiji.

During field work, the author encountered two of Japanese grant aid projects which seem to underline Japanese emphasis on manpower development. One is the joint laboratory project in Tonga, and the other is the construction of the Fiji Nursing School. These two projects are seen significant. The Tongan laboratory project trains laboratory researchers and the Fiji Nursing School trains nurses, both with regard to modern medical conditions. The projects increase the number of the researchers and nurses, which provides the countries with better medical care and improved public health. The exchange of medical personnel between Japan and these countries will also be promoted. In the broader context, both Tonga's laboratory and Fiji's Nursing School are expected to play a regional role by receiving and training researchers and nurses from other parts of the region. If successfully implemented, the schemes could well serve regional cooperation. For this to happen, however, both island countries and Japan have to work out a system which encourages such exchanges.

This section features the two projects as the case studies for Japanese aid to manpower development and technology transfer in the region.

a. Tonga Health Laboratory Project

The joint health laboratory project is ongoing at the Viola hospital in Tongatapu. This project-type technical cooperation, which cost a total of T\$948,000 and covers the period 1981-1986, was the first multi-bilateral medical project in the world under the collaboration of JICA and the World Health Organization. JICA is responsible for constructing the laboratory building, providing laboratory equipment, sending Japanese experts, and training local staff in Japan. WHO also provides experts as well as facilities and fellowships for the training of local staff. The purpose of the project is to improve health laboratory services with emphasis on epidemiological services and the control of communicable diseases. It is said to boast the best equipped inspection laboratory in the South Pacific including four main laboratories, a conference room and an office (Tongan Ministry of Health).

Japanese experts told the author (Tongatapu. Aug./1985) that they hope to make the laboratory a laboratory center in the South Pacific. Presently, technology transfer to Tonga staffers has been proceeding smoothly but there seems to be some disharmony between JICA and the co-partner, WHO, because of a lack of experience in multi-bilateral joint projects.

b. Fiji Nursing School

The construction of the Fiji Nursing School, the largest single Japanese grant aid project ever conducted in the region, was ongoing when the author visited Fiji. The project is composed of two phases. The first phase is being implemented from February 1985 until March 1986 at a cost of 1145 million yen, and a second phase is to be carried out after the first phase over a period of 15 months at a cost of about 813 million yen. Although 18 months were first estimated for school completion, the project was too big to be finished in one phase. The construction will take place over two years and five months and will cost a total of over \$10 million (See Table IV-18a, 18b).

The health conditions of Fijians is generally good. Epidemics are infrequent and the average life span is longer than other developing countries: Fijian men average 60.7 years; Fijian women, 63.9 years; Indian men, 59.6 years; Indian women, 62.4 years (JICA. The New. 1984. P2-9). There are, however, problems such as poor sanitary conditions, malnutrition of infants and pregnant women as well as dengue fever and filariasis. Under such circumstances, Fiji has been trying to improve the quality of medical and health care and the equality of distribution of medical services. The country, however, lacks personnel of proper skill and knowledge, and the training of such skilled manpower is one of the major concerns of the

Ministry of Health. The budget of the ministry of Health comprises about 7.9% of the government budget, and out of this allocation about 2.4% is spent for the Fiji Nursing School (Ibid. p2-25).

Nursing education in Fiji began with the Tamavua school in Suva in 1900 and one in Lautoka in 1926. Both of these, however, have practically no special educational facilities and their buildings are decrepit. Nursing education is free of charge and the combined schools have a capacity of 80 students in each class. About 10 of the 80 fail to graduate and there is a need to improve the contents of the education to reduce dropouts. The proportions of Fijian and Indian students are about equal. Male students have been admitted to the school since 1975 and there are more than 10 male students at present. In 1983, the Ministry of Health consolidated the two nursing schools in Suva and Lautoka into one to upgrade the quality of nursing education. The lack of facilities and equipment, however, impeded progress. The ministry set up a plan to build a new nursing school to improve overall nursing education (Ibid. P2-35,36,37).

The project was first proposed to Japanese Diet members who visited Fiji in March, 1981, and the nursing school project was put on the agenda for Japanese aid. Then, later in the same year, the representatives of the Japanese Government, WHO and the Fiji Government examined the project again and listed it in a priority agenda. In 1983, a Japanese survey team led by a Japanese woman, the director of the International Nursing Foundation of Japan, arrived and conducted the feasibility study. The project was thus set out

(Eiunaiwai, T.M. Permanent Secretary of Ministry of Health. pers comm. Suva. Aug./1985).

Foreign assistance and aid in the medical field for Fiji have so far been extended from Australia, New Zealand, the United States, Thailand and WHO. Until recently, nursing education was conducted under the New Zealand curriculum. However, it has been reviewed and revised to better meet conditions in Fiji. The number of teachers now total 22 and instructors, 26, including five Peace Corps Volunteers. After the new school is completed, 120 students (a 50% increase) will be accepted annually for the three-year basic nursing course (in total, 360 students) and 40 students for the 4-6 months post-basic course (in total, 80 students) (See table IV-18a) (JICA. The New. 1984. p2-34,2-41).

The school also receives students annually from other Pacific countries including U.S.T.T.P.I. and the Cook Islands for both basic nurse and post-basic courses (See Table IV-19). In this sense, the school plays a regional training role and the expansion and improvement of the school's education also serves the region. Upon the completion of construction, five seats will be secured for foreign students for the basic course and four seats for the post-basic course on annual base.

The new school site of 2.9 hectares is located on a quiet hill in Tamavua on the outskirts of Suva. Japan is undertaking consultant work and construction of school buildings and dormitories as well as provision of educational equipment and materials. Tender was held

last year and the Japanese firms Azusa Sekkei, a planning consultant company, and Taisei Kensetsu, a large Japanese construction firm, have been conducting the work. The construction has been going smoothly except for delays by rain and a strike. The Fiji Government is responsible for land preparation, utility work such as water supply, furniture, fixtures and other items. Since Fiji's education has been under the British system, some medical equipment does not fit to Japanese variants. According to Azusa Sekkei (pers comm. Suva. Aug./1985), replacements will be purchased locally. Concerning equipment coming from Japan, however, JICA dispatches experts to instruct in equipment operations and maintenance for up to five years, with the aim of teaching local people to become self-reliant.



#### IV. CONCLUSION

As has been shown in the first part of this paper, the geographical focus of Japanese aid is Southeast Asia. As Japan is heavily dependent for industrial growth on mineral resources from this area, the economic and political stability of the Southeast Asia region is of vital concern to Japan. For this reason, Japanese aid to this region aims to support economic and industrial development in order to help sustain Southeast Asian governments--whether democratic or not. Also, Southeast Asia is the artery of the Japanese economy since the transportation route of Japanese oil from the Middle East goes through this area. The Straits of Malacca, surrounded by three countries, Indonesia, Malaysia and Singapore, are of special importance: about 85% of Japanese crude oil imports and 40% of Japanese trade cargo pass through the straits (Gaimusho. Keizai. 1981. p81). Therefore, it is vital for Japan to maintain friendly relationships with these countries and for their governments to remain pro-Japan. For these reasons, aid to Southeast Asia is regarded as the cost of Japanese security. Indeed, the aid budget is categorized under the item of total security cost together with defense.

On the other hand, the Pacific island states have not been linked with direct Japanese interests. Concomitant with the establishment of 200-mile economic sea zones, the nuclear dumping issue and the rising interest in the "Pacific age," the region began

to have some meaning to Japan. From the late 1970s, Japanese aid to the region has been slowly increasing, though it still remains less than one percent of the total Japanese aid. Although the Japanese Government has not established aid policy for the Pacific islands, it now seems to have determined regional policy indirectly as part of the Pacific basin cooperation concept. Whether or not this line of aid policy for the region will bear fruit depends on international trends and Japanese efforts, as well as the response from the island needs.

There is, however, a lot of room to improve Japanese aid to meet island needs. Except for the bigger islands of Melanesia, economic development is limited. The islands' smallness, scarcity in natural resources, high dispersion, small markets, cultural diversity and traditional value systems make their further overall economic development difficult. Aid to the region needs to focus on special concerns taking account of the circumstances of each island. It should be considered not from donors' viewpoints but from those of recipients in discerning what is needed.

As told to the author by a Japanese aid officer, since it is not effective to extend small aid to each island, it might be better to concentrate on one country as the center. By extending one big project, a spreading effect to other countries may be promoted, as with the case of Fiji Nursing School. This, however, has a danger. From the point of bureaucratic aid allocation, this is an easy and lazy way to do it. It will, however, create unfairness and increase

disparity between islands. For example, even though the Fiji Nursing School receives students from other islands, the number of acceptances is rather few and limited, only about 5% of the whole under the new curriculum to be adopted after the completion of the school (based on data, JICA. The New. 1984. p3-4). In such cases, the priority of acceptance is always in the host country as seen in other cases of regional organizations. Also, the desires, needs and levels vary from island to island. Aid concentration on one country as the center, therefore, is dangerous and should be avoided.

What is needed is not bureaucratic mechanical criteria for aid distribution but more humane consideration which takes into account the real needs and desires as well as the unique situation and capacity of each island. As we have seen regarding fisheries aid, Japanese aid in general lacks such considerations. In this sense, Japan needs to cultivate Japanese aid officers who have expert knowledge of the region so as to promote familiarization with needs and the formulation of appropriate policies. Additionally, the technology provided under transfer schemes should fits the islands' cultural and social situation.

To match small aid absorption capacities, program aid seems to be more appropriate and effective rather than large, wasteful projects, which are often the case in Japanese aid. During the field work, the author heard the islanders' wish to have several small programs rather than one large project. For instance, the Vava'u High School in Tonga built by Japanese grant aid in 1983 is said to

be the finest and best-equipped school in terms of facilities and education in Tonga, and is expected to slow the population outflow to Tongatapu. It is also said, however, that several schools could be built with the money, 600 million yen, spent for the construction of this school. Islands can appreciate small programs which are more cost effective and match their absorptive capacity. Although Japan does provide small programs, it tends to prefer big projects because of the reciprocal return to Japanese enterprises. Also, from point of bureaucratic procedure and an annually based budget which has to be spent within a given time, it might be easier for aid officers to deal with one big project rather than several small ones. In the final analysis, the bureaucrats are not familiar with islands' situation or their absorption capacity anyway.

In this sense, local Japanese embassies should be given greater latitude to use discretionary funds. Large project aid would be better committed by multilateral organizations to lever up and strengthen the overall regional economy including its transportation and communication systems. In view of this, Japan should contribute more to multilateral organizations and should also extend aid to the regional organizations (such as SPEC) of which Japan is not a member and therefore does not currently appropriate aid.

Also, Japan should not only increase ODA but should also encourage other means of economic cooperation such as trade, private investment and voluntary aid. Especially in trade, Japan should provide more access to the Japanese market by taking special trade

preference measures. Japan greatly owes its economic growth to developing countries. As has been previously explained, Japanese aid, which started from the postwar reparations, became a major force to rehabilitate and boost Japanese industries. It geared up Japanese overseas exports, thus helping its own economic growth. When one thinks of such historical facts, what Japan should do now is not only open its market but also conclude special agreements with Pacific island states to promote island exports by thus returning the debt Japan owed to developing countries in the past. An editorial in the Mainichi Shimbun (Dec.23/1985) comments on Japanese economic cooperation to developing countries. It suggests that if Japan is really aiming to promote export industries of developing countries, Japan should be ready to take active measures such as reorganizing its own domestic industrial policies in the broader context of the international division of labor

Most important, however, is manpower development. Donors are apt to force projects upon recipients based on donors' own concepts of development and their own wants and needs rather than those of islands. They tend to neglect the traditional value system of recipients, which is an important key to development. The best way to develop a country, needless to say, is by its own manpower at its own will. In this sense, technical cooperation and assistance to manpower development can best serve this purpose and can be the core of Japanese aid to the region.

Apart from humanitarian concern, the purpose of aid is in helping a country achieve true independence. In reality, however, aid seems to make these islands more and more dependent. A Chinese proverb says, "Give not a fish but a fishing rod and teach how to catch fish." This is what donors are supposed to do--not just giving money, or telling recipients what to do but teaching how to do it. Each country should have its own model of development based on its own cultural concept and social and natural environments. A nation can learn a great deal from the development of others as a model, however, mere copying does not lead to development in a true sense. Rather, it creates tensions and counteraction. In this sense, Japan, which shares a certain kind of traditional value with the region, is in a position to understand their problems better than other Western donors and to assist in coordinating their solution. Manpower development is also important to cultivate island leaders who can discern what they need to develop and how to develop based on their own concept and not on donors' concepts. The development of human resources leads a people to develop with their own hands at their own will. It leads a country to lessen its external dependency and eventually to real independence.

G. Kent asserts that true development should aim not only at "achieving economic growth" or "the alleviation of poverty" but also at achieving "human growth," that is to say, "the alleviation of powerlessness" of the people who can not control of their own life (Kent. 1983. pp5-20). In this sense, development should be

understood not only in the terms of economic development but also in the total development of society and people. For development unaccompanied by a human dimension will not bestow happiness on a people in the real terms of human life.

Manpower development and technical transfer, however, take a long time. It is said in Japan that it took 100 years for Japan to develop human resources, beginning during the Meiji restoration when Japan came out from the feudalistic age and pushed forward modernization of the country. Then how can islands solve the urgent economic issues they are facing now? A Japanese who has been engaged in island business for a long time has one view. He thinks that Japanese aid is best directed towards employment generation and the creation of local economic opportunities. He says Japan should extend aid which can give incentives to island economies and increase internal economic capability, as opposed to aid related to welfare which can be promoted by Australia and New Zealand. Certainly such type of aid is needed, however, it can be interpreted that it is the kind of aid that meets Japanese commercial interests, which is often the subject of international criticism. In any case, however, as long as Japan wishes to maintain its economic power and if aid, after all, serves the donor's national interest, there is no need to worry about such type of aid disappearing.

Nor will there be any doubt that fisheries aid will continue to be the major Japanese aid to the region, as fisheries are a major resource and potential industry islands wish to develop. Japanese

aid, however, will probably broaden its sectors, trying to improve on the overemphasis on fisheries in future. Also, having passed its groping age of trials and errors, Japanese aid seems to have entered a new stage, where the principles of aid policy have finally found a mode of creation. That is to say, being determined within the framework of the Pacific cooperation concept, Japanese aid policy to the region will underline the importance of manpower development and technical cooperation. This seems to coincide with the transition of Japanese aid in general from the stage of mere transfer of "money" and "materials" to the new stage of transfer of "technology" and "man."

As Keizai Kyoryoku no Rinen implies, Japanese aid policy is based on national self-interest. Judging from the report, the principles of Japanese aid are more strategic than philosophical. There are, of course, no donors unconcerned with their own interests and it is a natural point of consideration in aid policy. Additionally, according to international political and economic trends and a country's domestic situation, aid policy naturally changes. The principles of Japanese aid policy, however, seem too self-centered and short-sighted. Since Japanese aid principles are so directly connected with the regions of its own immediate interests, Japan is very susceptible to external influence. It lacks insight based on a global view. It lacks the awareness of interdependency as a member of international society. In other words, Japan's philosophy underlying its aid policies is not



apparent. The same observation, however, can be applied to Japanese diplomacy. If aid is a key to the North-South problem and Japan is eager to contribute to its solution as an advanced nation, Japan needs to establish an aid philosophy based on a global view and not just on its own, narrow interests. For without a global view, an awareness of interdependency and humanitarian concern, the North-South problem will never find a way to solution.

## APPENDICES

Notes

- 1) Grant aid is classified into general grant aid (56.5% of total grant aid in 1983), grant aid for fisheries (5.1%), grant aid for disaster relief (2.1%), grant aid for cultural activities (1.0%), food aid (13.8%), and aid for increased food production (21.3%).
- 2) Japan does not extend aid for government budget support and the only cash flow is grant aid for cultural activities.
- 3) Japanese ODA to China has sharply increased after 1980.
- 4) Eighty billion yen has been appropriated to Africa in the 1985 budget.
- 5) Although Japan extended a total of \$40,000 to Nauru in 1981-1982, this was to conduct experiments on wave-powered generation and it cannot really be considered as aid.
- 6) Export and import figures of some countries (Tables 16,17) are not from 1980. Also, some countries such as U.S.T.T.P.I. are missing in the tables.
- 7) Japan, as a major fish consuming country, has been actively engaged in fishing in the region. Japan's main fishing activities are, however, in the northern waters. The Japanese market demands fresh fish, and not tins of fish. Demanded are high-price kinds of fish such as salmon, trout, crabs, lobsters and shrimps, most of which are caught in the northern sea. Contrary to common assumption, tuna is really not an important fish in Japan today.

Table 1-A: Japanese Aid to Fiji

Grant Aid		Technical Cooperation	
Up till 1979	@ Fishing training boat, marine research institute, dormitories for fishing trainees. ¥500 million. Feb/1980 (Date of signing of E/N)	Trainees	41
		Survey teams	34
		Experts	17
		JOCV volunteers	0
		Provision of equipment	¥43,996,000
		Development Survey	
		@Forestry development project(1976-78)	
		@Forestry development survey(1979-81)	
		@Fisheries development (1979)	
		Total	¥447,396,000
1980	@ Disaster relief:Japanese rice. ¥25 million. May/1980	Trainees	14
		Survey teams	30
	@ Provision of educational equipment and materials for middle schools. ¥25 million. Dec/1980	Experts	4
		Provision of equipment	¥74,543,000
	@ Provision of machinery for digging of wells and pumps for ground water development. ¥200 million. Feb/1981.	Development Survey	
		@Water supply project	
		Total	¥295,788,000
1981	@ Equipment for educational and cultural promotion. ¥30 million. Dec/1981	Trainees	21
		Survey teams	24
	@ fish market, freezing facility fish cargo collection ship. ¥ 400 million. Dec/1981	Experts	13
	** Project-type technical cooperation:aquaculture project. Nov/1981-Mar/1985	Provision of equipment	¥97,749,000
		Development Survey	
		@ Fisheries development	
		Total	¥362,213,000
1982	@ Disaster relief for cyclone damage. ¥15 million Mar/1983	Trainees	25
		Survey teams	9
	@ Sound and lighting equipment for cultural research center. ¥25 million. Apr/1983	Experts	12
		Provision of equipment	¥112,234,000
		Development survey	
		@Fishery resources	
		Total	¥363,879,000
Up till 1982	Total ¥1220 million	Total	¥1,469,276,000
		Trainees	101
		Survey teams	97
		Experts	46
		JOCV volunteers	0
		Provision of equipment	

(JICA, Statistical Data)

Table 4-B: Japanese Aid to Papua New Guinea

	Loan Assistance	Grant Aid	Technical Cooperation	
Up till 1979	@Warangoi hydropower plant; Wabag water works; Goroka sewerage. ¥3500million. Aug/1978 (Date of signing of E/N) Maturity:30 years Grace period:10 years	@Construction of a national fishing training college. ¥660 million. Nov/1975	Trainees 63 Survey teams 155 Experts 11 Provision of equipment ¥10,486,000 Development survey @ Fishery development(1971) @ General development project (1974) @ Purari river electric power development project(1974-77) @ Fishing base construction project(1976) Total ¥1,147,134,000	
1980	@The fourth Rouna hydro-power project. ¥5122 million. Aug/1980 Maturity:30 years Grace period:10 years Interest rate:3.25 % Grant Element:55.49 % Untied		Trainees 26 Survey teams 17 Experts 5 JOCV volunteers 7 Provision of equipment ¥8,240,000 Total ¥143,200,000	
1981			Trainees 35 Survey teams 19 Experts 3 JOCV volunteers 3 Provision of equipment ¥11,982,000 Total ¥203,986,000	
1982			Trainees 21 Survey teams 10 Experts 6 JOCV volunteers 10 Provision of equipment ¥12,339,000 Total ¥207,866,000	
Up till 1982	Total ¥8622 million	Total ¥660 million	Total ¥1,702,186,000 Trainees 145 Survey teams 201 Experts 25 JOCV volunteers 20 Provision of equipment ¥43,047,000	

Table I-C: Japanese Aid to the Solomon Islands

Grant Aid		Technical Cooperation	
Up till 1979	@Construction of coastal fishery promotion center and fishing training boat. ¥500 million. Jul/1978(Date of signing E/N)	Trainees	3
		Survey teams	49
		Experts	2
		JOCV volunteers	2
	@Cargo-passenger boat for inter-island transportation promotion project. ¥500 million. Apr/1979	Provision of equipment	¥27,628,000
	@Educational equipment including text printing machine for the Ministry of Education. ¥30 million. Dec/1979	Development survey	
		@Economic cooperation survey (1977-78)	
		@Electronic communication network construction project(1978-79)	
		@Fisheries promotion center basic project(1978); Dengano Lake bauxite development project (1979-82)	
		Total	¥164,154,000
1980	@Physical education equipment for the Ministry of Youth and Culture. ¥25 million. Sep/1980	Trainees	6
		Survey teams	14
		Experts	1
	@Fishing Survey training boat and fishing implements. ¥500 million. Jan/1981	Provision of equipment	¥10,762,000
		Development survey	
		@Fishery Promotion Project	
		Total	¥66,431,000
1981	@Fisheries center and ferry boat for fisheries development project. ¥700 million. Feb/1982	Trainees	5
		Survey teams	19
		JOCV volunteers	1
		Provision of equipment	¥3,253,000
		Development survey	
		@Fishery promotion development	
		Total	¥107,780,000
1982	@ Fisheries center and refrigerator for village fishing development project. ¥350 million. May/1983	Trainees	4
		Survey teams	8
		JOCV volunteers	3
		Provision of equipment	¥966,000
		Development survey	
		@Fishery promotion project	
		Total	¥49,367,000
Up till 1982	Total ¥2605 million	Total	¥387,732,000
		Trainees	18
		Survey teams	90
		Experts	3
		JOCV volunteers	6
		Provision of equipment	¥42,609,000

Table I-D: Japanese Aid to Western Samoa

Grant Aid		Technical Cooperation	
Up till 1979	@Fishing training boat, refrigerator, freezer truck. ¥150 million. Feb/1977 (Date of signing E/N)	Trainees	22
	@Construction of fishery center, ice-making facility. ¥400 million. Aug/1978	Experts	3
	@Canned bonito and tuna for nutrition improvement. ¥200 million. Oct/1978	JOCV volunteers	49
	@Aid for increased food production:fertilizer, agricultural chemicals and vehicles for agricultural development. ¥300 million. Feb/1980	Provision of equipment	¥80,976,000
		Total	¥427,322,000
1980	@bookmobile for the Ministry of Education. ¥13.5 million. Sep/1980	Trainees	5
	@Construction of school buildings for education facility project, vehicles and equipment ¥200 million. Jan/1981	Survey teams	5
	@Canned mackerel for nutrition improvement. ¥100 million. Nov/1980	Experts	2
	@Construction of fish market and wharf, and vehicles for fisheries port maintainance project. ¥600 million. Mar/1981	JOCV volunteers	7
		Provision of equipment	¥35,992,000
		Development survey	
		@Educational development project	
		Total	¥151,689,000
1981	@Construction of library for educational facility project. ¥110 million. Sep/1981	JOCV volunteers	14
	@Equipment for physical education for the Ministry of Youth, Sports and Culture. ¥15 million. Dec/1981	Provision of equipment	¥28,246,000
	@Canned mackerel for nutrition improvement. ¥100 million. Feb/1982	Total	¥122,730,000
	@Aid for increased food production:chemical fertilizer, agricultural chemicals and agricultural machinery.¥200 million. Apr/1982		
1982	@Laboratory science equipment for the Ministry of Education. ¥20 million. Apr/1983	Trainees	3
	@Reconstruction project for medical clinic in Leulumoea and Sataoa. ¥570 million. Apr/1983	Survey teams	11
		Experts	1
		JOCV volunteers	12
		Provision of equipment	¥19,996,000
		Development survey	
		@Construction project for medical clinic	
		Total	¥153,615,000
1983	@Aid for increased food production. ¥200 million. Nov/1983		
Up till 1982	Total	Total	¥855,356,000
	¥2979 million	Trainees	30
		Survey teams	16
		Experts	6
		JOCV volunteers	82
		Provision of equipment	¥165,140,000

Table 1-1: Japanese Aid to Tonga

Grant Aid		Technical Cooperation	
Up till 1979	@Construction of fisheries research center, fishing training boat. ¥400 million. Nov/1977 (Date of signing E/A)	Trainees	14
	@Canned tuna and bonito for nutrition improvement project. ¥200 million. Nov/1978	Experts	2
		JOCV volunteers	10
		Provision of equipment	¥71,844,000
		Development survey	
		@School building project(1979)	
		Total	¥262,186,000
1980	@Construction of primary school. ¥200 million. Oct/1980	Trainees	4
	@Fishing training boats and fishing tools. ¥450 million. Feb/1981	Survey teams	10
		Experts	1
		JOCV volunteers	3
		Provision of equipment	¥10,779,000
		Total	¥80,342,000
1981	@Equipment for preserving cultural assets and educational equipment. ¥15 million. Dec/1981	Trainees	1
	@ cyclone disaster relief (cash). ¥25 million. Mar/1982	Survey teams	19
		JOCV volunteers	2
		Provision of equipment	¥61,386,000
		Development survey	
	***Project-type technical cooperation: Tonga Health Laboratory Project (joint project with WHO). Dec/1981-Dec/1986	@Electronic data processing(EDP) development (1981-83)	
		Total	¥117,262,000
1982	@Fishing equipment for small fishery promotion project. ¥200 million. Oct/1982	Trainees	1
	@Musical equipment for the Ministry of Education. ¥15 million. Mar/1983	Survey teams	4
		Experts	6
		JOCV volunteers	3
		Provision of equipment	¥51,314,000
		Development survey	
		@Vavau high school construction project(1982-83)	
		Total	¥142,992,000
1983	@Vavau high school construction project. ¥600 million. Dec/1983		
Up till 1982	Total	¥1505 million	
		Trainees	20
		Survey teams	33
		Experts	9
		JOCV volunteers	18
		Provision of equipment	¥195,323,000
		Total	¥602,712,000



Table 1-F: Japanese Aid to Kiribati

Grant Aid		Technical Cooperation	
Up till 1979	@Fishing survey training vessel ¥500 million. Mar/1980(Date of signing E/N)	Trainees	3
		Survey teams	20
		Experts	1
		Provision of equipment	¥180,000
		Development survey @Fishery resources survey(1976-78)	
		@Fisheries promotion project(1979)	
		Total	¥301,767,000
1980		Experts	2
		Provision of equipment	¥1,066,000
		Total	¥33,320,000
1981	@Food aid. ¥67 million Nov/1981	Trainees	1
	@Fishing training boat and ice-making freezing facility. ¥500 million May/1982	Survey teams	6
		Provision of equipment	¥702,000
		Development survey @Fisheries promotion project(1981-82)	
		Total	¥39,779,000
1982	@Freezing facility. ¥200 million May/1983	Trainees	1
		Survey teams	5
		Experts	2
		Provision of equipment	¥12,637,000
		Total	¥101,975,000
Up till 1982	Total ¥1267 million	Total	¥476,841,000
		Trainees	5
		Survey teams	31
		Provision of equipment	¥14,585,000
1983	@Construction of cargo boat for inter-island transportation. ¥500 million Jul/1983		
	@Food aid. ¥67 million Nov/1983		

(JICA, Statistical Data)

Table I-G: Japanese Aid to Tuvalu

Grant Aid		Technical Cooperation	
1980	@Fishing training boat and fishing tools for fisheries development project. ¥400 million Mar/1981	Development survey @Fishing training boat	
1981		Total	¥841,000
1982		Experts	3
		Provision of equipment	¥1,844,000
		Total	¥33,668,000
Up till 1982	Total ¥400 million	Total	¥34,509,000
		Experts	3
		Provision of equipment	¥1,844,000

Table I-H: Japanese Aid to Vanuatu

Grant Aid		Technical Cooperation	
Up till 1979		Total	¥15,927,000
1981	@Fisheriesmarket, wharf, and fish storage for small scale fishing development. ¥210 million Apr/1982	Survey teams Development survey @small scale fishery development project	6
		Total	19,561,000
1982		Survey teams	1
		Total	¥2996,000
Up till 1982	Total ¥210 million	Total	¥38,484,000
		Experts	13

(JICA, Statistical Data)

Table I-1: Japanese Aid to the Federated States of Micronesia

Grant Aid		Technical Cooperation	
Up till 1979		Trainees	2
		Survey teams	30
		Experts	25
		Provision of equipment	¥69,730,000
		Development survey @Project-type of technical cooperation: fisheries develop- ment(1978-81)	
		Total	¥261,641,000
1980	@Equipment and vehicles for local and agricultural road network project. ¥300 million Apr/1981	Trainees	2
		Survey teams	4
		Experts	9
		Provision of equipment	¥20,636,000
		Total	¥92,639,000
1981	@Ice-making and freezing facility and freezer boat for traditional fishery improvement project. ¥200 million Apr/1982	Survey teams	5
		Development survey @Traditional fishery improvement project	
		@Economic technical cooperation survey	
		Total	¥22,896,000
1982	@Equipment and vehicles for local and agricultural road network project. ¥360 million Apr/1983	Trainees	1
		Total	¥3,641,000
Up till 1982	Total ¥860 million	Trainees	4
		Survey teams	39
		Experts	34
		Provision of equipment	¥90,366,000
		Total	¥380,822,000

(JICA, Statistical Data)

Table I-J: Japanese Aid to Palau

	Grant Aid	Technical cooperation
1981	@Ice-making and freezing facility and small fishing boat. ¥320 million Apr/1982	Survey teams 5 Development survey (Small scale fishery promotion project.) Total ¥11,567,000
1982	@Equipment and vehicles for coconut promotion project. ¥240 million Apr/1983	Total ¥949,000
Up till 1982	Total ¥560 million	Total ¥12,516,000 Survey teams 5

Table I-k: Japanese Aid to the Marshall Islands

	Grant Aid	Technical Cooperation
1980		Trainees 3 Survey teams 6 Experts 1
1981	@Civil engineering, agricultural equipment and vehicles for outer islands. ¥240 million Apr/1982	Trainees 2 Survey teams 6 Development survey @Construction of passages for fishing boats and bridges in Majuro. Total ¥23,981,000
1982		Total ¥947,000
Up till 1982	Total ¥540 million	Total ¥29,928,000 Trainees 5 Survey teams 6 Experts 1
1983	@Civil engineering, agricultural equipment and vehicles for outer islands. ¥300 million Aug/1983.	

(JICA, Statistical Data)

Table 11-1: The Flow of Financial Resources to Developing Countries and Multilateral Agencies (Million)

	JAPAN								
	1966-1968 Average	1970	1975	1976	1972-1974 average	1980	1981	1982	1983
<b>NET DISBURSEMENTS</b>									
I. Official Development Assistance (ODA), (A + B)	342.3	458.0	1 147.7	1 104.9	916	3353	3171	3023	3761
A. Bilateral Official Development Assistance (1 + 2)	294.3	371.5	850.4	753.0	0.24	0.32	0.28	0.28	0.33
1. Grants and grant-like contributions	120.0	121.2	201.7	184.9	708	2010	2260	2367	2425
1.1. Technical assistance	10.8	21.6	87.2	108.1	196	702	810	805	993
1.2. Food aid	—	23.3	10.6	4.6	52	278	318	353	385
1.3. Debt forgiveness	—	—	—	—	10	13	24	44	46
1.4. Other grants	—	—	—	—	—	—	—	—	—
Development lending and Capital	109.2	76.2	103.9	72.2	—	49	40	40	73
2.1. New development lending	174.3	250.3	648.7	568.1	135	362	408	368	489
2.2. Food aid loans	151.7	236.4	448.2	454.4	511	1308	1450	1562	1432
2.3. Debt reorganisation	—	—	2.2	—	402	1031	1070	1434	1335
2.4. Equities and other bilateral assets	22.6	13.9	186.1	96.6	60	206	299	65	50
B. Contributions to multilateral institutions (1 + 2 + 3)	48.0	86.5	297.3	352.0	49	6	25	7	1
1. Grants	5.2	7.7	70.8	77.8	—	65	57	57	46
1.1. UN Agencies	4.4	7.2	68.9	75.2	208	1343	910	656	1336
1.2. EEC	—	—	—	—	26	261	258	260	305
1.3. Other	0.7	0.5	1.9	2.6	25	249	243	245	288
of which: Food aid grants, total	—	—	—	—	1	13	15	15	18
2. Capital subscription payments and similar to	39.4	73.2	231.8	279.5	2	42	24	31	47
2.1. IBRD	3.6	—	—	—	178	1089	659	401	1035
2.2. IDA	9.1	22.2	147.5	147.8	—	51	9	153	—
2.3. Regional Development Banks	26.7	51.0	84.3	129.1	104	619	452	—	649
2.4. Other	—	—	—	—	73	416	195	231	368
3. Concessional lending	3.4	5.6	— 5.3	— 5.3	5	2	3	17	18
II. Other Official Flows (OOF), net (A + B)	228.1	693.6	1 369.4	1 333.4	—	295	374	502	605
A. Bilateral Other Official Flows (1 + 2)	225.0	492.6	1 354.5	1 247.8	941	1478	3023	2791	1954
1. Official export credits <sup>a</sup>	204.9	349.5	339.0	471.0	721	1590	2900	2821	1914
2. Equities and other bilateral assets	20.1	143.1	1 015.5	776.8	176	823	1410	849	472
B. Multilateral Institutions	3.1	201.0	14.9	85.6	544	767	1490	1972	1442
of which: IBRD	—	200.0	— 66.6	4.5	221	-112	123	-31	41
Sub Total (I - II): Total Official Flows	570.4	1 151.6	2 517.1	2 438.3	1857	4831	6194	5814	5715
III. Grants by Private Voluntary Agencies	—	2.9	10.0	16.2	7	26	27	23	30
IV. Private Flows at Market Terms (1 to 4)	254.6	669.4	352.4	1 548.1	1979	1958	6011	2928	2918
1. Direct investment	87.8	261.5	222.7	1 084.2	737	906	2426	364	433
2. Bilateral portfolio investment and other	—	3.5	40.1	99.9	860	660	1273	2799	2339
3. Multilateral portfolio investment	— 0.2	17.5	6.9	45.0	123	318	1599	1528	2215
4. Private export credits	167.0	386.9	82.7	319.0	260	74	712	-1762	-2069
IV (5) a. Monetary Sector included in IV <sup>b</sup>	—	4.3	47.0	67.1	899	765	2528	4011	3658
i) Resident banks <sup>c</sup> : Change in bilateral claims	—	3.5	40.1	49.1	860	511	1212	2752	2161
— in foreign currency	—	—	—	—	—	—	—	—	—
— in domestic currency	—	—	—	—	—	—	—	—	—
ii) Multilateral portfolio investment	—	0.8	6.9	18.0	39	254	1316	1279	1497
V. Total Resource Flows (Balance of Payments Basis) (I to IV)	825.0	1 824.0	2 879.6	4 002.6	3844	6815	12231	8766	8663
IV (5) b. Parent banks and their affiliates <sup>d</sup>	—	—	—	—	1.00	0.66	1.08	0.82	0.75
Adjusted Resource Flow, Consolidated Balance Sheet Basis (I to IV - IV (5) a - IV (5) b.)	—	—	—	—	—	—	—	—	—
For Reference	—	—	—	—	—	—	—	—	—
<b>GROSS DISBURSEMENTS</b>									
Total Official	700.7	1 484.2	3 760.6	3 424.6	2521	7026	8337	9177	9627
Official Development Assistance	374.3	530.9	1 404.6	1 293.9	1031	3664	3521	3402	4223
Other Official Flows	326.4	953.3	2 356.0	2 128.7	1490	3362	4816	5775	5405
New development lending	193.9	323.2	699.8	640.2	504	1325	1387	1784	1755
(Total) debt reorganisation	—	32.6	186.1	96.6	59	6	25	8	12
(Total) food aid	—	—	—	—	71	271	373	162	169
Official export credits	—	(23.8)	15.3	8.1	591	1889	2591	2404	2353
Private export credits	303.2	598.3	752.2	971.8	649	2336	5120	3026	3153
Private export credits	—	568.4	898.1	1 100.5	—	—	—	—	—
<b>COMMITMENTS</b>									
Official Development Assistance, Total <sup>e</sup>	386.2	592.9	1 636.7	1 477.0	1435	4435	4524	4398	5386
Bilateral	328.6	482.7	1 285.2	980.7	1192	3369	3437	3622	3483
of which grants	119.3	129.0	227.8	215.8	219	707	884	967	1069
Multilateral	57.6	110.2	351.5	496.2	243	1066	1087	775	1903
Other Official Flows	3.3	1 040.7	2 039.1	3 286.9	1688	3806	5934	4877	4786
<b>MEMO ITEMS</b>									
1. Total flows to multilateral agencies, net (I.B + II.B + IV.3)	50.9	287.5	319.1	482.6	552	1549	2633	2154	3591
2. Total food aid, net	—	(23.8)	15.3	8.1	160	208	1085	343	92
3. Official funds in support of private export credits (included in II.A.1. above)	—	—	231.6	391.9	268	770	1493	1973	1336
4. Official funds in support of private investment (included in II.A.2. above)	—	—	1 012.2	779.4	86	322	354	339	311
5. Interest received on ODA	25.9	50.5	129.8	122.4	—	139	—	—	—
6. Interest received on OOF	—	—	—	—	—	—	—	—	—
7. Administrative expenses	—	6.1	—	—	—	—	—	—	—

a. Including funds in support of private export credits, see Memo item 3.  
b. See note b to Table A.12.

c. Includes affiliates in reporting country of banks with headquarters elsewhere.

Table 11-2. The Flow of Financial Resources to Developing Countries and Multilateral Agencies, 1983 (\$million)

**COMPARISON OF FLOWS BY TYPE**  
**The Flow of Financial Resources to Developing Countries and Multilateral Agencies, 1983**

	Total DAC	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany	Italy	Japan	Netherlands	New Zealand	Norway	Sweden	Switzerland	United Kingdom
<b>NET DISBURSEMENTS</b>																	
Official Development Assistance (ODA) (A + B)	27 458	753	158	480	1 429	395	153	3 815	3 176	827	3 761	1 195	61	584	754	326	1 695
ODA as % of GNP	0.36	0.49	0.23	0.35	0.45	0.73	0.33	0.74	0.49	0.24	0.33	0.91	0.28	1.06	0.65	0.32	0.35
A. Bilateral Official Development Assistance (1 + 2)	18 528	534	127	289	849	237	93	3 145	2 101	443	2 425	812	48	331	526	215	859
1. Grants and grant-like contributions	14 126	537	48	230	705	171	82	2 602	1 273	313	993	686	45	318	524	203	923
1.1. Technical assistance	5 841	99	38	145	118	116	42	1 608	834	163	385	294	11	40	142	31	545
1.2. Food aid	937	67	3	4	124	5	1	26	49	45	45	35	—	4	3	16	20
1.3. Debt forgiveness	144	—	0	—	—	0	—	—	79	—	—	30	—	—	—	—	35
1.4. Administrative costs	904	13	5	10	80	12	5	99	40	20	73	41	1	15	23	7	50
1.5. Other grants	6 299	358	8	72	383	39	34	870	271	85	489	284	36	259	355	142	473
2. Development lending and capital	4 403	—3	78	59	144	65	11	543	928	130	1 432	126	—	13	2	16	—65
2.1. New development lending	3 529	—3	78	58	144	65	11	530	762	—	1 335	122	—	13	2	16	—67
2.2. Food and loans	706	—	—	—	—	—	—	—	—	—	50	—	—	—	—	—	—
2.3. Debt reorganisation	85	—	—	—	0	—	—	10	36	—	1	0	—	—	—	—	—
2.4. Equities and other bilateral assets	83	—	—	1	—	—	—	3	30	—	46	4	—	—	—	—	—
B. Contributions to multilateral institutions (1 + 2 + 3)	8 930	219	31	191	580	158	61	670	1 075	384	1 336	383	14	253	228	102	746
1. Grants	3 961	105	18	131	224	137	27	378	549	255	305	236	6	188	134	44	383
1.1. UN Agencies	2 227	88	18	38	179	103	27	66	141	82	288	135	3	161	128	47	82
1.2. FEC	1 361	—	—	79	—	29	—	312	388	173	—	100	—	—	—	—	250
1.3. Other	373	17	0	15	44	5	0	—	20	—	18	1	2	27	10	1	21
of which: Food aid grants total	761	35	6	26	89	24	8	69	118	—	47	49	1	22	—	9	79
2. Capital subscription payments and similar to	4 965	115	18	60	357	21	33	292	530	129	1 035	147	8	65	87	52	264
2.1. IBRD (incl. IFC)	229	—	—	18	30	—	3	52	—	—	—	13	2	3	—	—	28
2.2. IDA	3 146	61	—	37	100	—	16	117	421	84	649	82	2	41	65	—	251
2.3. Regional Development Banks	1 485	53	18	5	227	2	13	113	110	37	368	17	4	20	24	45	49
2.4. Other	105	—	—	—	—	19	1	10	—	8	18	34	—	—	—	—	—
3. Concessional lending	4	—	—5	—1	0	—	—	—	—4	—	—	0	—	—	—	—	—
of which: Subscriptions on an endorsement basis	3 303	65	27	38	196	—	21	131	407	—	605	95	3	—	—	5	350
C. Other Official Flows (OOF), net (A + B)	5 030	115	—5	82	255	183	2	467	603	740	1 954	28	0	39	287	16	208
A. Bilateral Other Official Flows (1 + 2)	4 925	96	—5	82	255	174	—	467	596	740	1 914	28	0	18	281	16	208
1. Official export credits	2 100	96	—5	—	226	173	—	—	382	—3	472	—	—1	—	281	—	—243
2. Equities and other bilateral assets	2 826	0	—	82	29	1	—	467	214	743	1 442	28	1	18	—	16	451
B. Multilateral Institutions	105	19	—	—	—	9	2	—	7	—	41	—	—	22	6	—	—
of which: IBRD	142	19	—	—	—	9	—	—	—	—	95	—	—	19	—	—	—
Subtotal A + B: Total Official Flows	32 488	869	133	562	1 683	578	155	4 282	3 779	1 566	5 715	1 223	61	623	1 049	336	1 812
D. Grants by Private Voluntary Agencies	2 344	32	12	30	132	13	16	36	370	3	30	107	7	43	61	48	83
E. Private Flows at Market Terms (I to 4)	34 300	51	—35	365	582	485	—44	5 016	2 837	639	2 978	848	53	74	207	2 455	3 402
1. Direct investment	6 287	141	30	62	395	31	17	399	843	—	433	40	41	76	159	135	1 145
2. Bilateral portfolio investment and other	17 459	58	—	57	212	—	—	1 464	1 634	—	2 339	—210	—	4	—	2 564	1 265
3. Multilateral portfolio investment	5 359	—	—	—6	—1	—5	—	201	413	—	2 215	812	—	—	—	661	—
4. Private export credits	5 196	—148	—65	251	—24	459	—61	2 953	—33	639	—2 069	206	14	—7	48	—	1 322
B. (See Monetary Sector included in IV)	20 039	—	—	13	201	—	—	—	1 660	—	3 658	539	—	—	—	1 803	1 065
1. Resident banks: Change in bilateral claims	17 105	—	—	13	201	—	—	—200	1 586	—	2 161	442	—	—	—	1 803	1 065
in foreign currency	—	—	—	—31	—	—	—	—	432	—	—	—	—	—	—	—	1 365
in domestic currency	—	—	—	44	—	—	—	—	1 228	—	—	—	—	—	—	—	—
2. Multilateral portfolio investment	2 934	—	—	—	—	—	—	201	73	—	1 497	96	—	—	—	—	—
F. Total Resource Flows (Balance of Payments Basis) (I to IV)	69 131	952	130	957	2 399	1 076	127	9 334	7 007	2 208	8 663	2 178	123	740	1 308	3 253	5 728
Total Resource Flows as % of GNP	0.91	0.62	0.19	1.17	0.76	1.98	0.27	1.81	1.07	0.63	0.75	1.66	0.36	1.34	1.43	3.22	1.25
G. (See Parent banks and their affiliates)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
H. Adjusted Resource Flow, Consolidated Balance Sheet Basis (I to IV + IV.1 + IV.5 + 6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>GROSS DISBURSEMENTS</b>																	
Total Official	42 932	958	—	613	2 116	669	155	5 191	4 833	—	9 627	1 286	62	645	1 153	355	2 194
Official Development Assistance	29 841	756	—	486	1 449	400	154	4 578	3 485	—	4 223	1 250	61	584	755	322	1 726
Other Official Flows	13 091	201	—	128	667	268	2	613	1 349	—	5 405	36	1	61	398	33	468
New development lending	5 118	—	—	63	163	71	11	641	1 063	—	1 758	176	—	13	4	17	53
(Total) debt reorganisation	1 020	—	—	26	29	0	—	154	471	—	12	30	—	—	—	33	35
(Total) food aid	2 428	102	—	30	213	29	9	95	167	—	169	84	1	26	3	25	99
Official export credits	6 536	116	—	—	638	250	—	—	705	—	2 353	—	—	—	392	—	—
Private export credits	23 341	62	—	765	5	590	16	6 131	1 116	—	3 153	507	14	54	221	—	6 463
<b>COMMITMENTS</b>																	
Official Development Assistance, Total	33 267	749	231	554	1 740	427	167	5 102	3 234	1 601	5 386	1 256	51	528	734	398	1 627
Bilateral	23 289	549	183	346	1 139	260	96	4 380	2 271	677	3 483	901	40	253	526	239	927
of which: Grants	16 551	549	49	276	1 007	182	95	3 298	1 342	396	1 069	747	40	273	522	216	879
Multilateral	9 978	200	49	208	600	167	71	722	963	924	1 903	355	11	246	209	158	701
Other Official Flows	12 161	134	—	—	584	392	—	702	882	2 486	4 786	37	1	—	198	—	586
<b>MEMORANDUM</b>																	
1. Total flows to multilateral agencies, net (IB + IIB + IV.3)	14 394	238	31	183	579	162	62	870	1 496	384	3 591	1 195	14	274	234	765	746
2. Official funds in support of private export credits (included in II.A.1. above)	—539	—	—	—	—	23	—	—	—55	—	—92	—	—	—	—	—	—243
3. Official funds in support of private investment (included in II.A.2. above)	1 323	0	—	—	—	—	—	—	—	—	1 336	—	—	—	—	—	—
4. Interest received on ODA	1 195	0	—	2	6	—	0	—	207	—	311	47	—	—	1	—1	34
5. Interest received on OOF	1 574	22	—	—	—	30	—	—	48	—	—	6	—	8	—	—11	36

Table II-3: DAC MEMBERS' ODA TERMS PERFORMANCE IN 1982 AND 1983

Country	Total ODA commitments* \$ million		Grants as a share of ODA commitments (%)		ODA loan terms								Grant element of total ODA commitments (%)	
					Interest rate (%)		Maturity (years)		Grace period (years)		Grant element (%)			
	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983
Australia . . . . .	843	749	100.0	100.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100.0	100.0
Austria . . . . .	423	231	36.1	42.2	5.1	5.0	14.8	12.1	8.3	6.3	35.5	32.7	58.8	61.1
Belgium . . . . .	561	554	92.6	87.3	0.8	(0.4)	30.0	(30.0)	10.0	(10.0)	81.5	(82.2)	98.6	(97.7)
Canada . . . . .	1 414	1 740	88.7	92.4	0.1	0.0	49.3	49.9	5.9	10.0	89.2	90.2	98.8	99.3
Denmark . . . . .	481	427	74.1	81.6	0.0	0.0	35.4	30.8	8.8	8.3	88.3	80.7	95.7	96.4
Finland . . . . .	190	167	85.8	99.6	0.7	4.0	26.9	10.0	7.2	2.0	71.3	25.7	95.9	99.7
France . . . . .	5 142	5 102	81.1	78.8	(3.7)	3.5	(22.2)	22.2	(7.3)	7.9	(45.8)	47.2	89.7	88.8
Germany . . . . .	3 701	3 234	67.3	71.3	(2.2)	(2.2)	(39.4)	(35.0)	(8.1)	(6.7)	65.3	(61.4)	88.5	(88.9)
Italy . . . . .	1 709	1 601	86.0	82.3	2.2	..	14.2	..	3.0	..	39.0	40.7	91.4	89.5
Japan . . . . .	4 398	5 386	39.6	55.2	2.9	3.3	27.9	27.6	9.2	8.8	57.0	54.3	74.0	79.5
Netherlands . . . . .	1 366	1 256	84.2	87.7	2.3	2.5	29.6	29.0	7.9	7.9	61.4	60.7	93.9	95.2
New Zealand . . . . .	52	51	100.0	100.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100.0	100.0
Norway . . . . .	538	528	98.9	98.2	4.2	3.8	9.5	11.6	3.0	3.5	25.0	25.4	99.2	98.6
Sweden . . . . .	981	734	99.5	99.6	2.0	2.0	25.0	25.0	10.0	10.0	63.1	63.1	99.8	99.8
Switzerland . . . . .	275	398	89.8	94.2	1.3	0.3	25.5	22.6	9.5	10.1	67.1	74.8	96.6	98.5
United Kingdom . . . . .	2 008	1 627	96.7	97.0	2.3	3.7	22.8	23.4	5.7	5.6	55.5	44.5	98.5	98.4
United States . . . . .	8 232	9 482	82.2	85.5	2.7	3.0	33.9	32.7	9.9	9.4	64.4	61.7	93.7	94.4
Total DAC countries . . . . .	32 315	33 267	76.1	79.7	2.8	(2.9)	29.8	(28.4)	8.5	(8.2)	58.3	56.6	90.3	91.2

\*Including debt reorganisation; for terms excluding debt reorganisation see Table VI-4 in the main text.

(DAC, 1984 p217)

Table II-4: TYING STATUS OF TOTAL ODA<sup>a</sup>, 1983

Gross disbursements

Percentages

Country	Bilateral ODA			Multilateral ODA			Total status identified (excluding EEC)		
	Untied	Partially tied	Tied	Excluding EEC		EEC <sup>c</sup>	Untied = (1) + (4)	Partially tied <sup>d</sup> = (2)	Tied = (3) + (5)
				Untied <sup>b</sup>	Tied				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Australia . . . . .	44.3	—	26.2	26.1	3.4	—	70.4	—	29.6
Austria . . . . .	3.3	—	75.5	19.7	1.6	-23.0	—	—	77.0
Belgium . . . . .	15.6	—	44.0	22.4	1.4	16.6	38.0	—	45.4
Canada . . . . .	9.7	—	47.9	35.9	6.5	—	45.6	—	54.4
Denmark . . . . .	36.3	—	22.9	30.9	2.3	7.5	67.3	—	25.2
Finland . . . . .	45.7	—	13.7	36.0	4.6	—	81.7	—	18.3
France . . . . .	30.5	7.6	46.9	8.0	—	7.0	38.5	7.6	46.9
Germany . . . . .	48.2	—	20.4	20.1	—	11.3	68.3	—	20.4
Italy . . . . .	..	..	..	..	..	..	..	..	..
Japan . . . . .	37.6	15.9	14.1	32.3	—	—	69.9	15.9	14.1
Netherlands . . . . .	40.9	16.3	11.0	23.1	0.3	8.3	64.0	16.3	11.3
New Zealand . . . . .	41.3	—	36.0	22.0	0.7	—	63.3	—	36.7
Norway . . . . .	37.7	—	19.0	43.3	—	—	81.0	—	19.0
Sweden . . . . .	57.2	—	11.5	27.5	3.8	—	84.7	—	15.3
Switzerland . . . . .	45.2	—	22.5	30.9	1.4	—	76.1	—	23.9
United Kingdom . . . . .	14.2	0.3	40.9	27.8	0.1	16.7	42.0	0.3	41.0
United States . . . . .	26.9	12.0	30.6	29.1	1.4	—	56.0	12.0	32.0
Total DAC . . . . .	..	..	..	..	..	..	..	..	..

<sup>a</sup> Excluding administrative costs.<sup>b</sup> Includes contributions to regional organisations which undertake procurement in their Member and contributor nations, with no substantial restriction as regards a country's eligibility for membership or contributor status.<sup>c</sup> EEC procurement may be undertaken in EEC Member countries, and in any of the 64 associated ACP states.<sup>d</sup> Refers to bilateral aid only.

(DAC, 1984 p219)



Table II-5: SECTOR ALLOCATION OF BILATERAL ODA COMMITMENTS, 1982 AND 1983

		Million US dollars										Bilateral ODA commitments allocable by sector		
Country		Planning and public administration	Development of public utilities	Agriculture	Industry mining construction	Trade banking tourism services	Education	Health	Social infrastructure and welfare	Multi-sector	Unspecified	Total	of which: project aid	% of bilateral ODA
Australia	1982	16.3	24.0	52.9	11.2	1.7	40.8	3.6	4.0	3.5	7.8	165.8	44.2	30.4
	1983	13.0	38.5	27.4	14.6	0.6	37.0	10.6	28.5	5.8	2.5	178.5	89.8	32.5
Austria	1982	0.1	228.1	2.6	7.5	0.3	1.8	1.2	0.5	-	5.2	247.3	234.5	96.0
	1983	0.1	113.4	3.1	12.9	x	24.5	0.3	0.3	-	5.1	159.7	127.3	87.4
Belgium <sup>a</sup>	1982	0.4	15.2	8.9	5.5	0.3	9.5	7.2	4.1	0.7	159.2	211.0	51.8	71.5
	1983	0.1	17.3	8.8	7.6	1.3	9.2	8.4	6.4	2.4	207.3	266.8	58.8	90.7
Canada	1982	14.0	168.0	85.1	69.7	24.4	62.6	17.6	20.4	51.6	133.5	646.9	646.9	80.2
	1983	15.1	177.3	220.9	110.9	5.2	125.8	24.2	36.6	69.0	197.8	946.0	946.0	83.0
Denmark	1982	-	94.3	59.9	60.8	-	1.4	10.7	-	2.7	39.9	269.7	228.6	95.3
	1983	0.7	99.7	45.3	14.5	6.1	14.2	8.8	3.8	1.0	53.1	247.2	181.6	94.9
Finland	1982	0.1	30.3	14.3	42.2	2.4	5.3	9.2	2.4	-	3.2	109.3	24.3	88.6
	1983	0.5	26.0	22.7	23.1	2.2	4.3	3.2	-0.3	-	4.0	85.7	22.9	89.2
France	1982	221.0	807.9	345.8	209.4	12.0	1 232.7	443.5	244.3	164.2	173.4	3 854.2	1 338.5	88.8
	1983	163.3	873.6	464.8	149.0	42.7	1 350.2	432.6	239.3	28.0	227.4	3 970.9	1 365.8	90.7
Germany	1982	114.9	828.0	264.6	155.4	197.3	466.9	89.9	49.3	107.2	65.4	2 338.9	1 277.1	86.2
	1983	65.5	787.7	246.2	127.2	74.4	391.4	49.2	52.9	58.9	68.8	1 922.3	1 026.0	84.7
Italy	1982	5.7	204.4	104.6	58.7	3.5	57.8	37.9	15.5	42.2	-	530.3	316.2	78.1
	1983	..	..	..	..	..	..	..	..	..	..	..	..	..
Japan	1982	18.1	1 679.9	379.3	481.0	32.9	110.1	137.9	19.9	15.8	78.8	2 953.8	2 576.9	81.8
	1983	11.6	1 652.9	360.4	414.6	35.3	216.0	129.1	129.7	85.9	51.4	3 086.9	2 503.8	88.6
Netherlands	1982	7.6	195.2	157.6	40.1	3.5	125.2	53.2	88.3	30.6	53.3	754.7	431.5	80.8
	1983	14.5	177.3	167.5	14.6	6.5	107.1	42.6	76.8	28.2	48.3	683.5	398.7	75.9
New Zealand	1982	3.0	12.6	10.9	0.7	0.5	6.2	0.7	0.1	1.0	0.1	35.8	20.6	76.3
	1983	1.9	12.1	3.7	1.1	0.9	5.5	1.0	0.1	2.0	x	28.3	19.5	70.6
Norway	1982	0.6	102.1	55.5	26.8	0.8	6.3	24.6	2.2	20.7	17.3	256.9	84.8	83.1
	1983	0.6	96.3	49.1	31.4	0.2	20.1	11.7	1.0	19.7	-	230.1	123.2	81.4
Sweden	1982	2.5	61.7	77.0	71.7	12.1	62.7	32.2	5.2	52.3	-	377.4	222.5	65.1
	1983	3.9	42.0	65.3	47.3	3.9	48.4	25.1	17.4	23.7	-	276.9	134.8	52.6
Switzerland	1982	0.4	11.2	39.5	9.0	25.0	19.4	4.6	9.3	2.9	49.2	170.5	100.4	80.1
	1983	1.4	13.6	63.0	7.7	18.4	23.7	11.8	6.9	8.9	36.6	191.9	144.4	80.2
United Kingdom	1982	19.4	346.7	63.7	103.2	76.4	164.6	18.1	6.9	4.5	96.6	900.1	529.3	81.0
	1983	18.7	234.6	95.4	154.1	6.8	115.1	23.7	14.3	2.5	78.9	744.1	392.7	80.3
United States	1982	43.7	335.8	853.0	16.8	268.1	169.3	408.8	212.4	6.9	548.5	2 863.3	..	46.9
	1983	78.2	389.8	1 006.1	29.7	324.2	253.9	514.4	407.3	13.1	564.8	3 581.5	..	51.2
Total DAC	1982	467.8	5 145.4	2 572.2	1 369.7	661.2	2 542.6	1 300.9	684.8	506.8	1 431.4	16 685.9	..	72.9
	1983	..	..	..	..	..	..	..	..	..	..	..	..	..

a) Disbursements.

Table II-6: TECHNICAL CO-OPERATION EXPENDITURE  
Official bilateral disbursements by individual donors

Country	\$ million						
	1970	1978	1979	1980	1981	1982	1983
Australia . . . . .	12.9	48.2	41.9	53.6	67.4	91.7	99.0
Austria . . . . .	2.7	31.1	37.1	31.3	41.0	33.4	38.2
Belgium . . . . .	51.3	190.1	214.6	225.9	186.0	159.2	144.6
Canada . . . . .	41.2	54.7	49.7	99.2	121.9	138.5	117.7
Denmark . . . . .	11.7	68.5	76.9	105.2	93.3	97.1	115.7
Finland . . . . .	..	13.4	29.7	32.6	36.4	43.6	42.1
France . . . . .	438.2	1 389.5	1 676.8	1 825.1	1 510.1	1 494.7	1 607.7
Germany . . . . .	190.1	682.7	836.6	990.7	878.5	870.2	833.6
Italy . . . . .	14.6	40.9	49.3	55.4	70.4	111.9	162.8
Japan . . . . .	21.6	221.2	241.9	277.8	338.0	353.0	385.1
Netherlands . . . . .	38.5	234.6	289.1	327.6	321.3	332.2	294.4
New Zealand . . . . .	..	16.0	18.1	26.5	17.7	12.7	10.9
Norway . . . . .	4.3	34.5	37.9	42.3	39.4	48.7	39.6
Sweden . . . . .	20.6	87.2	89.6	108.8	105.0	117.6	143.0
Switzerland . . . . .	2.1	6.1	8.0	34.2	34.5	41.6	30.9
United Kingdom . . . . .	109.3	294.0	394.0	506.8	431.9	365.4	345.4
United States . . . . .	578.0	367.0	598.0	734.0	965.0	1 094.0	1 445.9
Total DAC countries . . . . .	1 537.0	3 779.7	4 689.2	5 477.0	5 257.8	5 405.5	5 856.6

(DAC, 1984 p226)

Table II-7: EXPERTS AND VOLUNTEERS  
Publicly financed technical co-operation personnel by individual donors

Country	Number of persons						
	1970	1978	1979	1980	1981	1982	1983
Australia	1 024	1 204	1 270	1 356	1 351	1 574	1 755
Austria	288	571	545	555	562	430	458
Belgium	3 199	2 836	3 036	3 022	3 138	..	3 051
Canada	3 080	986	2 978	2 057	1 345	3 242	3 454
Denmark	774	1 037	1 035	1 045	1 023	1 051	1 159
Finland	98	176	74	117	183	176	176
France	38 122	27 068	(23 136)	..	..	..	..
Germany	6 344	6 470	6 697	5 850	5 903	5 865	5 629
Italy	1 507	1 512	1 693	1 597	1 714	2 190	..
Japan	2 629	6 610	6 673	8 215	9 878	11 011	11 094
Netherlands	1 177	3 319	3 572	2 963	2 689	3 192	2 942
New Zealand	..	869	583	608	449	421	439
Norway	505	512	509	433	464	521	459
Sweden	658	568	520	510	526	549	..
Switzerland	729	985	976	1 060	1 035	1 012	1 028
United Kingdom	17 354	9 519	8 765	7 614	6 512	5 973	5 765
United States	22 417	..	..	11 447	13 498	14 408	17 186

Table II-8: STUDENTS AND TRAINEES  
Publicly financed fellowships by individual donors

Country	Number of persons						
	1970	1978	1979	1980	1981	1982	1983
Australia	2 769	3 642	3 112	3 393	4 185	4 270	4 382
Austria	367	4 294	4 005	5 351	6 106	5 346	6 496
Belgium	3 258	2 932	3 199	3 258	2 680	..	2 630
Canada	2 757	1 927	1 762	1 723	1 707	1 662	1 705
Denmark	383	455	507	556	461	526	481
Finland	66	295	148	394	406	413	429
France	14 191	17 520	18 718	..	..	..	..
Germany	19 646	31 237	33 260	38 414	36 234	21 904	15 431
Italy	1 512	1 876	1 988	2 077	2 624	2 954	..
Japan	3 625	7 726	9 197	9 342	10 030	11 096	12 394
Netherlands	1 209	1 152	1 296	1 256	1 320	1 237	1 396
New Zealand	..	1 264	979	992	..	770	1 058
Norway	276	844	1 100	1 260	1 422	1 294	1 761
Sweden	1 315	7	2	-	-	-	..
Switzerland	743	975	847	832	835	1 123	1 123
United Kingdom	12 056	15 483	17 434	15 507	14 357	12 352	12 195
United States	18 272	6 734	7 967	6 854	8 772	8 328	9 294

Table II-9: ODA TO LLDC's AND OTHER LOW INCOME COUNTRIES IN 1982 AND 1983<sup>a</sup>

Country	ODA to LLDC's				ODA to other LIC's <sup>b</sup>			
	% of total ODA		% of GNP		% of total ODA		% of GNP	
	1982	1983	1982	1983	1982	1983	1982	1983
Australia . . . . .	17.5	14.8	0.10	0.07	29.0	29.4	0.16	0.14
Austria . . . . .	6.6	12.5	0.04	0.03	12.0	22.6	0.06	0.05
Belgium . . . . .	25.3	24.7	0.15	0.14	42.6	42.2	0.25	0.24
Canada . . . . .	27.5	28.2	0.12	0.14	38.8	33.1	0.16	0.16
Denmark . . . . .	37.3	38.9	0.29	0.28	40.3	37.2	0.31	0.27
Finland . . . . .	27.6	33.5	0.08	0.11	45.0	42.8	0.14	0.14
France . . . . .	16.0	15.9	0.12	0.11	17.5	16.4	0.13	0.12
Germany . . . . .	25.0	25.8	0.12	0.12	33.2	39.9	0.16	0.19
Italy . . . . .	30.7	..	0.07	..	28.0	..	0.07	..
Japan . . . . .	18.5	18.3	0.05	0.06	46.9	52.1	0.13	0.18
Netherlands . . . . .	26.9	27.4	0.29	0.24	37.5	37.4	0.40	0.33
New Zealand . . . . .	10.5	6.6	0.03	0.02	25.5	17.5	0.07	0.06
Norway . . . . .	35.5	33.4	0.35	0.35	38.1	36.1	0.38	0.37
Sweden . . . . .	30.2	29.5	0.31	0.23	46.5	43.0	0.47	0.34
Switzerland . . . . .	30.6	32.5	0.08	0.10	29.5	30.2	0.07	0.10
United Kingdom . . . . .	29.1	27.7	0.11	0.09	37.9	43.4	0.14	0.14
United States . . . . .	17.0	16.8	0.05	0.04	37.7	37.2	0.10	0.10
Total DAC countries . . . . .	21.4	20.5	0.08	0.07	34.8	35.5	0.13	0.13

a) Disbursements. Preliminary data. Allocated amounts only. Including imputed multilateral flows. Values used in this table are based on the geographical distribution of multilateral organisations' concessional flows in 1982.

b) Including India and China.

Table III-10: FOREIGN AID RECEIPTS AS A PROPORTION OF  
NATIONAL INCOME, GOVERNMENT EXPENDITURE AND REVENUE

	Year	National Income %	Government Expenditure %	Government Revenue %
Cook Islands	1981/82	30	50	110
Fiji	1982	3	8	10
Papua New Guinea	1981	10	36	47
Solomon Islands	1982	12	46	47
Tonga	1981/82	8	18	22
Tuvalu	1982	17	27	37
Vanuatu	1981	29	48	180
Western Samoa	1982	36	65	121

Note: For Solomon Islands and Vanuatu the expenditure figures apply to 1980.

(Fairbairn, T.I.J., 1985 p68)

Table III-11: OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO THE PACIFIC, (\$A'000)

## Sources:

The main source for this table is the OECD (1981): 1981 Review of Development Cooperation, Paris. Figures for American Samoa, Guam and TTPI were supplied by the USA Embassy in Fiji, and the total for Regional institutions/Projects was obtained from a variety of official sources.

## Notes:

1. The 1979 figures for American Samoa and Guam which were not available when the last edition was published are now included.
2. Official development assistance (ODA) as defined by the OECD includes all flows to developing countries by official institutions, provided their aim is economic development and social welfare and they have a concessionary grant element of at least 25 per cent. These are net flows.
3. It should be noted that in many cases the amounts of ODA given here would be understated. Collection of aid data is extremely difficult even for the donors, and there are often considerable time lags involved between the announcement of aid and its disbursement. For the American territories, for instance, only aid or transfers from the USA is given here. They did, however, receive some aid from other bilateral as well as multilateral sources, though such amounts are comparatively small. The totals in this table are different from those in Table 13 mainly because of the different sources from which the data were obtained. The data in Table 13 are somewhat more comprehensive and more complete. The relative magnitudes for the various countries are, however, somewhat similar.
4. Some donor countries also channel significant amounts, not recorded here, through unofficial voluntary agencies.

Country	1978	1979	1980		Total per cap (\$)
	Total	Total	Total	Bilateral	
American Samoa	27 913	30 536	35 351	35 351	1 00
Cook Islands	5 900	6 700	9 300	8 700	52
Fiji	22 500	27 900	29 600	27 700	4
French Polynesia	78 800	128 500	139 800	139 800	94
Guam	85 739	76 071	83 772	83 772	79
Kiribati	9 300	8 000	16 800	16 300	26
Nauru	0	0	0	0	0
New Caledonia	100 100	132 700	173 400	173 400	1 23
Niue	3 700	4 400	3 200	2 900	97
Papua New Guinea	260 000	253 400	285 400	251 600	9
Solomon Islands	23 200	23 200	30 900	27 200	13
Tokelau	800	1 600	1 700	1 600	1 06
Tonga	8 400	21 000	13 100	11 300	10
TTPI	115 304	99 700	150 615	150 615	1 10
Tuvalu	2 200	4 000	4 300	3 900	57
Vanuatu	16 300	34 000	38 000	38 000	32
Wallis and Futuna	2 200	6 900	7 300	7 300	67
Western Samoa	17 300	27 000	21 000	12 000	13
Regional Institutions/Projects	8 275	12 373	22 651	0	0
South Pacific Region	788 431	897 980	1 066 189	991 438	21

Table 11-12: NATIONAL INCOME AND GOVERNMENT EXPENDITURE

Country	GROSS DOMESTIC PRODUCT/GROSS NATIONAL INCOME(a)				TOTAL GOVERNMENT EXPENDITURE (RECURRENT AND CAPITAL)			
	Total (\$A'000)	Per capita (\$A)	Date	Source(b)	Total (\$A'000)	Per capita (\$A)	Date	Source
American Samoa	111 500(c)	3 442	1980	Govt. (Planning)	53 200	1 641	1980	Govt. (Planning)
Cook Islands	17 400(f)	983	1980	OECD(i)	16 500	516	1981	Govt. (Statistics)
Fiji	1 097 500(e)p	1 698	1981	Govt: Current Econ. Indicators, March 1983	333 500	516	1981	Govt: The Accounts and Financial Report for the year 1981
French Polynesia	931 818	6 292	1980	Govt. (Statistics)	414 700	2 768	1981	Govt: <u>Institut d'émission d'Outre Mer. Rapport d'activité 1982</u>
Ghana	396 004(f)	4 125	1976	Govt. (Commerce)	175 893	1 759	1978/79	Govt. (Commerce)
Gibraltar	23 000(d)	384	1981	ADB(g)	14 700(1)	245	1981	ADB(g)
Nauru	..(h)	..			..	..		
New Caledonia	837 800(d)	5 879	1981	Govt. (Statistics)	316 700	2 222	1981	Govt: <u>Institut d'émission d'Outre Mer. Rapport d'activité 1982</u>
Nile	3 300(f)	957	1980	OECD(i)	4 500	1 406	1980/81	Govt: Abstract of Statistics 1981
Papua New Guinea	2 182 700(d)p	712	1981	Govt: Statistical Bulletin No.14	855 900	279	1981	Govt: Abstract of Statistics March Quarter 1983
Salomon Islands	128 500(e)	547	1981	Govt: Statistical Yearbook 1982	51 500	219	1981	Govt: Statistical Yearbook 1982
Tokelau	800(f)	478	1980	OECD(i)	2 100	1 312	1981/82	NZ Govt: Tokelau Report of the Mini- stry of Foreign Affairs for the year ended 31 March 1982.
Tonga	51 800(e)	526	1981/82	Govt. Statistics	20 300	206	1981/82	Govt. (Statistics)
Trust Territory of the Pacific Islands	93 700(c)	705	1978/79	Govt: <u>Five Year Indi- cative Dev. Plan 1976/1981</u>	88 300	662	1977	Govt: <u>Quarterly Bull. of Statistics</u>
Tuvalu	3 600(f)	478	1980	OECD(i)	1 873p	253	1979	Govt: <u>Second Dev. Plan 1980-83</u>
Tuvalu	76 700(d)	639	1981	Govt. (Planning)(k)	28 700	239	1981	Govt: (Planning)
Ullis and Futuna	8 700(f)	805	1980	OECD(i)	9 700	866	1981	Govt: <u>Institut d'émission d'Outre Mer. Rapport d'activité 1982</u>
Western Samoa	113 000(f)	723	1980	OECD(i)	50 200	320	1981	ADB(g)

Notes:

(a) It was not possible to obtain for all countries GDP figures, hence the use of GNP figures in some cases; nor was it possible to obtain for all countries as to whether their GDP/GNP was valued at market prices or factor costs. The figures represent the most up-to-date available, and those supplied by the national authorities are preferred to those published by others except when country-supplied figures are neither available nor current.

(b) Under the two columns for Source, Govt. indicates that the information was supplied by the Government, with the originating Department in brackets. Where the source is a published document, the publisher is named followed by the full title of the document; where, however, the publication appears more than once, only the publisher is indicated in the text of the table, with the full title of the publication appearing in the relevant footnote.

(c) GDP; (d) GDP at market prices; (e) GDP at factor costs; (f) GNP.

(g) Asian Development Bank (ADB) (1983). Key indicators of developing member countries of ADB, vol. XIV, Manila.

(h) Nauru does not publish national income figures.

(i) OECD (1982). 1982 Review of development cooperation, Paris.

(j) IBRD estimate supplied by the Planning Office.

(k) Current expenditure only.

Table III-13: ODA by DAC Countries to Pacific

Country	1 9 7 9			1 9 8 0			1 9 8 1			1 9 8 2
	MS	% of Country ODA Budget	% of DAC ODA to Pacific	MS	% of Country ODA Budget	% of DAC ODA to Pacific	MS	% of Country ODA Budget	% of DAC ODA to Pacific	MS %
Japan	13.63	0.7	1.6	11.53	0.6	1.2	13.42	0.9	2.1	22.63
Australia	233.44	64.1	34.8	314.92	66.0	33.1	322.16	50.8	35.8	(0.96%)
New Zealand	34.63	73.9	4.1	33.61	75.4	4.1	57.71	74.7	4.2	
United States	112.00	2.7	13.3	110.00	2.5	11.8	133.60	3.2	15.3	
France	320.97	11.5	38.0	335.50	11.5	40.7	316.50	8.9	35.1	
Britain	46.77	4.0	5.5	73.27	5.8	7.7	46.63	3.5	5.2	
West Germany	20.12	0.3	2.4	9.35	0.4	1.0	12.37	0.6	1.4	
DAC Total	844.12	-	100.0	849.20	-	100.0	900.63	4.9	100.0	
% of total DAC ODA to Pacific	5.3%			5.4%			4.9%			

(Gaimusho, Statistical Data)



Table III-14: Japanese ODA to Pacific Countries (\$million)

Country	1977	1978	1979	1980	1981	1982
Fiji	0.26	0.84	0.552	3.23	2.63	3.21
Nauru	-	-	-	-	0.03	0.01
Papua New Guinea	-2.13	-0.90	4.48	1.80	2.33	3.69
Tonga	0.88	1.59	1.14	0.48	3.40	0.79
Western Samoa	0.81	1.23	2.63	2.01	3.85	3.43
Kiribati	0.41	0.34	0.52	1.95	0.62	1.92
Solomon Islands	-0.13	0.84	3.53	0.93	2.70	3.16
Tuvalu	-	-	-	-	0.91	0.83
Vanuatu	0.01	0.05	-	0.91	0.12	0.37
Trust Territory of the Pacific Islands	0.07	0.54	0.04	0.33	2.95	4.23
Total	0.03	4.64	13.80	11.53	13.42	22.63

(Gaimusho, Statistical Data)

Table III-15: Source of Financial Flows to the SPDMCs  
(On Net Flow Basis), 1977-1981 Average  
(\$ Million)

Donor	Total SPDMCs	SPDMCs excluding PNG
<u>Bilateral Official</u> <sup>a/</sup>	<u>432.5</u>	<u>148.7</u>
Australia	301.5	35.2
UK	58.3	51.2
New Zealand	30.0	27.1
France	15.6	15.5
Fed. Republic of Germany	12.0	7.5
Japan	8.9	7.8
Others	6.2	4.4
<u>Multilateral Official</u>	<u>66.2</u>	<u>36.6</u>
ADB	19.0	9.6
World Bank	15.3	5.9
EEC	15.0	12.9
UNDP	6.6	4.6
IMF	5.6	0.5
Others	4.7	3.1
<u>Private Flows</u>	<u>28.5</u>	<u>13.5</u>
<b>TOTAL</b>	<b><u>527.2</u></b>	<b><u>193.8</u></b>

<sup>a/</sup> Includes unallocated regional flows.

Source: OECD, Computer Printouts, March 1983.

(ADE, 1983 p33)

Table III-16: DESTINATION OF EXPORTS 1980<sup>1</sup> (\$000)

Destination Exporting Country	Australia	New Zealand	South Pacific Region	United Kingdom	EUROPE		United States	Japan	Other Countries	Total
					France	Others				
American Samoa	568	—	3	—	—	—	109,947	807	681	112,006
Cook Islands	—	2,076	—	—	—	—	4	—	—	2,080
Fiji	16,631	19,021	7,500	65,324	n/a	829	24,140	18,782	43,374	195,601
Kiribati	20	—	72	2,165	—	—	—	23	145	2,425
Niue	3	250	11	—	—	—	—	—	—	264
New Caledonia	876	84	6,633	25	208,547	644	37,264	92,640	3,637	350,350
Papua New Guinea	135,780	5,815	18,350	37,284	2,203	293,790	29,497	313,542	62,259	898,520
French Polynesia	67	198	2,073	1	16,313	4,092	2,315	1,155	371	26,585
Solomon Islands	1,460	651	6,310	8,105	4	12,233	2,190	16,858	16,182	63,993
Tonga	2,370	2,217	342	17	—	112	993	—	556	6,607
Vanuatu	—	—	769	—	7,346	2,102	—	307	20,871	31,395
Western Samoa	305	3,988	1,080	73	—	6,372	928	750	2,016	15,512
<b>TOTAL:</b>	<b>158,080</b>	<b>34,300</b>	<b>43,143</b>	<b>112,994</b>	<b>234,413</b>	<b>320,174</b>	<b>207,278</b>	<b>444,864</b>	<b>150,092</b>	<b>1,705,338</b>

Sources: SPC, 1982(b), Table 3, pp. 12-14 and p. 3 for exchange rates used.  
Government of Fiji, 1982(a), Table 8.4, p. 57.

<sup>1</sup> Excludes re-exports; note that the estimates for Fiji apply to 1981.

Table III-17: SOURCE OF IMPORTS (\$000)

Importing Country	Source	Australia	New Zealand	South Pacific Region	United Kingdom	EUROPE		United States	Japan	Other Countries	Total
						France	Others				
American Samoa	(79-80)	1,962	6,344	2,482	14	—	16	67,414	4,032	1,225	83,489
Cook Islands	(80)	1,643	12,448	237	628	241	639	1,019	1,548	1,944	20,347
Fiji	(81)	196,247	75,883	n/a	29,868	1,948	n/a	39,216	87,312	115,660	546,134
Kiribati	(80)	9,675	882	1,097	947	4	35	1,226	2,180	803	16,849
Nauru	(78-79)	9,628	930	—	—	—	—	—	—	—	10,558
Niue	(80)	17	2,132	575	16	—	5	34	93	42	2,914
New Caledonia	(80)	42,612	16,473	1,913	5,413	134,328	36,322	19,564	18,167	123,395	398,187
Papua New Guinea	(80)	362,589	35,816	1,075	37,237	1,628	35,927	57,283	160,362	196,611	888,528
French Polynesia	(80)	15,407	24,544	963	6,860	227,459	43,630	99,943	16,984	41,825	477,615
Solomon Islands	(81)	18,459	5,694	n/a	5,325	n/a	1,230	2,648	9,860	22,617	65,833
Tonga	(80)	9,478	11,369	1,547	1,036	54	202	1,897	1,807	2,743	30,133
Tuvalu	(80)	1,467	148	995	290	0	31	12	59	143	3,145
Vanuatu	(80)	16,256	4,692	7,128	910	5,141	—	—	5,230	23,628	62,985
Western Samoa	(80)	11,474	18,115	1,916	3,278	70	1,700	4,837	5,241	9,666	56,297
<b>TOTAL:</b>		<b>696,914</b>	<b>215,470</b>	<b>19,928</b>	<b>91,822</b>	<b>370,873</b>	<b>119,737</b>	<b>295,093</b>	<b>312,875</b>	<b>540,302</b>	<b>2,663,014</b>

Sources: SPC, 1982(b), Table 3, pp. 10-13.  
Government of Fiji, 1982(a), Table 8.7, p. 61.  
Government of Solomon Islands, 1982(b), Table 4, p. 4.

Table IV-18a  
THE CONSTRUCTION OF THE NEW FIJI NURSING SCHOOL

25th March, 1985

I. OUTLINE OF THE PROJECT

1. Title of the Project : THE CONSTRUCTION OF THE NEW  
FIJI NURSING SCHOOL
2. Location : Tamavua, Suva, Fiji
3. Owner : Ministry of Health & Social  
Welfare, Fiji  
THE GRANT AID PROJECT BY THE  
GOVERNMENT OF JAPAN.
4. Consultant : AZUSA SEKKEI CO., LTD.
5. Contractor : TAISEI CORPORATION
6. Project Cost : Phase I : Yen 1,145,000,000  
(F \$5,450,000)  
Phase II : Approx Yen 813,000,000  
(F \$3,800,000 )
7. Project Term : Phase I : Feb, 1985 - Mar, 1986  
Phase II : Unsettled (15 months)

II OUTLINE OF SCHOOL

1. Basic Nurse Course
  1. Number of Students : Total 360 students, 3 grade  
(120 students/grade)
  2. Education Period : 3 years
  3. Admission System : Two intake
  4. Trimester : 4 Trimesters/year
2. Post Basic Course (Midwife & Public Health Nurse)
  1. Number of Students : 80 students/year
  2. Education Period : 6 & 4 months
  3. Admission System : Twice a year

Personal Communications

Azusa Sekkei Co. Chief Architect. Suva. Aug./1985.

Biumaiwa, T.M. Permanent Secretary of Ministry of Health. Suva. Aug./1985.

Hunt, P. Chief officer of the Fiji Fisheries Division. Lami. Aug./1985.

Japanese fisheries experts. Tongatapu. Aug./1985.

Japanese medical experts. Tongatapu. Aug./1985.

JOCV (Japan Overseas Cooperation Volunteers) volunteer. Apia. Aug./1985.

Kavaliku, Langi S. Honolulu. June/1985.

Officer of the Western Samoa Fisheries Division. Apia. Aug./1985.

PAFCO (Pacific Fishing Company) director-general manager. Levuka. Aug./1985.

Table IV-18b

III. OUTLINE OF BUILDINGS

## 1. School

- 1. Structure : Reinforced Concrete
- 2. Story : 3 Story
- 3. Floor Area : Phase I : 1.648.71 sq.m  
Phase II : Approx. 1.350 sq.m

## 2. Dormitory

- 1. Structure : Reinforced Concrete
- 2. Story : 2 Story
- 3. Floor Area : Phase I : 2.192.40 sq.m  
Phase II : Approx 1.950 sq.m

Total

7.141.18 sq.m

Table IV-19: BREAKDOWN OF OVERSEAS STUDENTS

	Country	1981	1982	1983
Basic nurse	Wallis	1	-	-
	Tuvalu	2	4	-
	Tokelau	1	1	-
	Total	4	5	-
Post basic	TTPI	-	2	2
	Tonga	-	1	2
	Cook Islands	1	1	1
	Vanuatu	3	1	1
	Tokelau	-	1	-
	Solomon Islands	3	-	2
	Gilbert Islands	3	3	3
	Niue Islands	-	1	-
	Tuvalu	-	1	-
	Total	11	10	11

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